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SELA SPONSORS NEW COMPUTER SCIENCE GROUP

PA010431 Paris AFP in Spanish 0237 GMT 1 Aug 86

[Text] Caracas, 31 Jul (AFP) -- Ten Latin American governments today created in Caracas a Committee of Action for Latin American Cooperation and Coordination in Computer Science and Electronics (Comite de Accion Para la Cooperation y Concertacion Latino-americana en Informatica y Electronica -- Caciel]. The group's headquarters will initially be in Lima.

The committee was created under the auspices of SELA, which organized three meetings this year attended by experts or government representatives to evaluate the needs and hopes of the region in computer science and electronics.

The following countries are in Caciel: Argentina, Brazil, Costa Rica, Chile, Mexico, Nicaragua, Peru, the Dominican Republic, Uruguay, and Venezuela. The remaining 15 members of SELA may join the committee when they so desire.

CHRISTIAN DEMOCRATS MEET ON DEMOCRATIZATION

PY011749 Madrid EFE in Spanish 0159 GMT 1 Aug 86

[Text] Montevideo, 31 Jul (EFE) -- A meeting of South American Christian Democratic parties which started tonight in Uruguay is studying the democratization processes in the region and their participation in these processes.

The meeting, which ispresided over by former Chilean Senator Renan Fuentealba and Hilarion Cardozo, the current vice president of the Venezuelan Senate, opened with a protocol ceremony at the Montevideo Parque Hotel. Present at the meeting were representatives from Argentina, Bolivia, Ecuador, Chile, Paraguay, Venezuela, and Uruguay.

During the seminar they will discuss the democratization processes of several countries in South America, and the various party leaders will submit reports. The Christian Democrats will also study the consolidation of representative systems and social changes in the region.

Those attending the meeting, which will close on 2 August, held a meeting today with Uruguayan President Julio Maria Sanguinetti, with whom they talked about democratic transitions and the Uruguayan democratization process. After the meeting with Sanguinetti, Fuentealba held a press conference during which he criticized the government of General Augusto Pinochet and said that "the Chilean regime is constantly changing and is becoming increasingly personalized toward the dictator."

GOVERNMENT SCORES U.S. SUBSIDIZED GRAIN SALES

PY050242 Buenos Aires TELAM in Spanish 0028 GMT 5 Aug 86

[Text] Buenos Aires, 4 Aug (TELAM) -- The Economy Ministry today condemned the sale of U.S. cereal grains at subsidized prices and charged that this unfair competition violates, if not the letter then the spirit of, the international trade system and the principle of economic coexistence among nations.

In a note released tonight at the Finance Palace, the Economy Ministry calls on developed countries to act responsibly and warns them of the consequences that the lack of income for agricultural countries, caused by this decision, will have on the foreign debt issue.

Herewith the statement:

We have time and again said that in conducting economic affairs the developed countries must act as responsibly as we the developing debtor countries, and especially our country, have acted. All our efforts to balance our domestic and foreign accounts will be to no avail if the prices of our export products continue to decline. Should this problem persist, it will be necessary to find solutions that are even more advantageous to the debtor countries than those granted to them thus far regarding payment of their foreign debt. Furthermore, one perceives a serious injustice when these price drops, as in the case of cereal grains, are not prompted by the normal play of the market forces, but by the deliberate initiatives of some governments.

The United States has decided to extend its system of subsidized grain exports to its sales to the Soviet Union, India, and China. The effects of mechanisms instituted by the most prosperous countries to promote their foreign sales are thus being expanded to the detriment of others, especially those like Argentina and other cereal grain-producing countries that lack the resources, that is, the billions of dollars that are spent on this type of unfair competition. This unfair competition violates, if not the letter, then the spirit of the international trade system and the principle of economic coexistence among nations.

We reiterate our concern about those conflictive ways of addressing international trade matters, which can only worsen the crisis, and we propose that the most adequate policies be coordinated in the appropriate forums to ensure steady economic growth for developing and developed countries and an equitable international distribution of the cost of the international economic adjustment.

GOVERNMENT SENDS NOTE TO EEC ON FALKLANDS

PY050318 Buenos Aires TELAM in Spanish 2046 GMT 4 Aug 86

[Text] Buenos Aires, 4 Aug (TELAM) -- The Argentine mission accredited to the EEC has reasserted Argentina's sovereignty rights over the Malvinas Islands following a resolution by the EC Council of Ministers granting financial assistance to these islands, which are described in the resolution as overseas territories of an EEC member country.

According to Foreign Ministry sources, the Argentine mission sent a note to the EEC citing UN General Assembly resolutions recognizing that there is a sovereignty dispute over the Malvinas, including Resolution 31/49, which recommended that the Governments of Argentina and Great Britain refrain from making unilateral changes in the disputed zone.

FRG MINISTER KIECHLE ARRIVES FOR VISIT

PY042233 Buenos Aires DYN in Spanish 2228 GMT 2 Aug 86

[Excerpt] Buenos Aires, 2 Aug (DYN) -- FRG Minister for Food, Agriculture and Forestry Ignaz Kiechle today arrived in Argentina for an 8-day visit during which he will participate in the opening of the rural show and will meet with high-ranking government officials and leaders of rural organizations.

The FRG minister arrived at the Aeroparque Metropolitan Airport this afternoon and was welcomed by the FRG ambassador to Argentina, Hans Werner von Finckenstein.

During his visit Kiechle will pay a courtesy visit to President Raul Alfonsin and will hold talks with Economy Minister Juan Sourrouille; Secretary for Livestock, Agriculture and Fishing Lucio Reca; and members of congressional committees on agriculture.

The FRG minister will also hold talks with Argentine Rural Society President Guillermo Alchouron and with the leaders of other rural organizations in order to discuss issues of interest.

Kiechle's agenda includes visits to meatpacking plants, port facilities, the Liniers cattle market, and the grain board, and meetings with executives of German corporations operating in Argentina. [passage omitted]

CIRO HUMBOLDT BARRERO ELECTED SENATE PRESIDENT

PY050144 La Paz Cadena Panamericana in Spanish 0000 GMT 5 Aug 86

[Excerpt] Ciro Humboldt Barrero has been elected president of the Senate. There were no problems in the election of Humboldt, because he had the unanimous support of all members of the political parties that were elected in the 1985 elections. Thus, the MNR [Nationalist Revolutionary Movement] now assumes responsibility for running the Senate. [passage omitted]

INTERIOR MINISTRY REPORTS JOINT ANTIDRUG DRIVE

PY311620 La Paz La Red Panamericana in Spanish 1130 GMT 31 Jul 86

[Text] The Public Relations Department of the Interior Ministry has reported that the antidrug operations in the eastern part of the country continue. According to a communique actions were recently conducted in Santa Cruz and Chimore. The following is official communique No 5: [number as heard]

Bulletin No 5: A medium-sized cocaine factory, which had been abandoned by drug traffickers, was discovered today in Beni Department during a patrol operation conducted by the Mobil Units for Rural Areas, Umopar, with the logistical support from three U.S. helicopters.

According to preliminary information relayed from the helicopters the patrols conducted operations north of Beni. The operations encompassed an area of about 200 km, almost reaching the Itenes River at the Brazilian border. The information indicates that a cocaine factory was found. However, the factory had recently been abandoned and destroyed in a manner used by the drug traffickers.

Santa Cruz: According to information received from Santa Cruz the personnel of the Regional Office for the Control of Dangerous Substances conducted an operation on 12th Street, seizing two containers with drugs. One of the containers held 7 bags with 7.5 kg [words indistinct].

In another operation, regional office personnel found 6 kg of cocaine base in a Nissan truck license No 215062, abandoned on Grigota Avenue. Gilda Corboda Escobar was arrested, but another person, Orlando Corboda, escaped.

Chimore: After overflying the Mariposa, Ivirganzama, Hacienda Tres, and (Sinahota) areas in the Chapare, another patrol located and destroyed three large cocaine factories made up of 25 pits for macerating coca and 200 liters of enriched water.

Drugs, Factories in Cochabamba

PY021355 La Paz La Red Panamericana in Spanish 0000 GMT 2 Aug 86

[Text] Interior Ministry officials reported today that Umpdar troops have presented a total of 128,500 grams of basic cocaine sulphate to the Cochabamba Departmental Federation for Control of Dangerous Drugs.

The sources added that as aresult of an operation carried out in Valle Alto, Cochabamba Department, four persons were detained and 21,300 grams of drugs were seized, which were also sent to the Departmental Federation for Control of Dangerous Drugs.

Later, 40 packages of coca were seized at a private home and eight drug factories still in operation were discovered.

Further Details on Results

PY021559 La Paz La Red Panamericana in Spanish 1130 GMT 2 Aug 86

[Text] The Interior Ministry's bulletin No 7 on the antidrug operation states that 22 cocaine manufacturing installations have been found. It states that during operations carried out in the past 48 hours by the Umopar of the national police with the support of the U.S. helicopters one operating cocaine factory and another ready to be installed were found.

The first operation was conducted after a lengthy flight that took Umopar troops 270 km north of Trinidad. There they found a complex of 22 buildings, the 2 largest of which were used for crystalization of the drug. Two others housed the drying system for cocaine hydrochloride.

The Umopar patrols also conducted another operation in southern El Beni, 130 km away, between Caimanes and Rio Grande. There they found a semicovered 1,000-meter landing strip, which was almost complete. This place has no contact with any inhabitated locality, and the installation apparently meets modern standards for a jungle airstrip.

BRIEFS

OIL, NATURAL GAS RESERVES -- The Bolivian Government Oil Deposits [YPFB] has reported that the country's oil reserves are approximately 151 million barrels and the natural gas reserves about 5 trillion cubic feet. [Summary] [La Paz La Red Panamericana in Spanish 1130 GMT 31 Jul 86 PY]

CENTRAL BANK DOLLAR SALES -- Acting Central Bank President Jaime Escobar has reported that the Central Bank has auctioned $173 million [on the domestic market] since 2 September 1985 and that U.S. dollar sales have averaged $1 million per day in recent months. He added that the U.S. dollar exchange rate has remained relatively stable during this period. He said that the Central Bank has purhcased $22.8 million and that it has received $175 million from exports of hydrocarbons and minerals and $47.8 million from nontraditional exports. [Summary] [La Paz La Red Panamericana in Spanish 1130 GMT 28 Jul 86 PY]

AGREEMENT ON UNIVERSITY -- Vice President Gulio Garret Ayllon this morning in La Paz signed an agreement with the United Nations to grant support to the Simon Bolivar Andean University. During the signing of the agreement, Garret Ayllon said he considers it very important because it is the first contribution to the creation of the Andean University. Garret Ayllon, who is president of the Andean Parliament, said that this agreement will grant the necessary conditions for seeking other resources and other kinds of cooperation that may allow the creation of an educational fund for the Andean University. [Excerpt] [La Paz La Red Panamericana in Spanish 1700 GMT 25 Jul 86 PY]

SARNEY CONDUCTS ROUTINE MEETINGS 4 AUGUST

PY050058 Brasilia Domestic Service in Portuguese 2200 GMT 4 Aug 86

[Text] The financial situation of the states and their capitals was the subject of the first meeting to be held this week at Planalto Palace. It was a routine meeting conducted by President Sarney with the ministers from the economic sectors and with the special participation of Deni Schwartz, minister of housing and urban affairs. His participation in the meeting was explained by Frota Netto, press under secretary of the Presidency.

The government has discovered that the debts of the municipalities are concentrated with the National Housing Bank. The foreign debt of the states, and the negotiations between the National Housing Bank and its clients were two other topics discussed during the meeting.

HEAVY WEAPONS WILL BE SOLD TO LIBYA

PY042332 Paris AFP in Spanish 1810 GMT 4 Aug 86

[Text] Sao Paulo, 4 Aug (AFP) -- VEJA, the most important Brazilian weekly magazine, reports in this week's issue that the Brazilian Government has authorized the sale of weapons to Libya, but only the type of weapon that cannot be used for terrorist purposes.

The magazine states that Libya can purchase heavy weapons, especially armored vehicles and missiles, from the Brazilian weapons industry, but it will not be able to purchase light weapons.

ENGESA [Specialized Engineers Inc.] is Brazil's main manufacturer and exporter of weapons and is Libya's main supplier. It has been told that it cannot supply Libya with antitank mines because they can be used for terrorist actions.

In June 1986 the newspaper FOLHA DE SAO PAULO, one of Brazil's most influential newspapers, reported that Libya had signed a contract with Brazil for the purchase of $1 billion worth of weapons, mainly armored cars. Two days later, on 17 June, the Brazilian Foreign Minstry denied that report, which had also been published by the U.S. newspaper THE WASHINGTON POST.

During an exclusive interview granted to the Brazilian television network Bandeirantes, Colonel Mu'ammar al-Qadhdhafi, leader of the Libyan revolution, stated last night that he considers relations with Brazil very important, and he hopes they continue to improve.

CUBA BEGINS DIRECT SHIPPING IN SEPTEMBER

PY311833 Sao Paulo FOLHA DE SAO PAULO in Portuguese 24 Jul 86 p 36

[Text] Beginning in September, vessels from the Cuban shipping company Mambisa will be arriving in Brazil. This announcement was made by Antonio Balbino, manager of the regular lines of the Barlavento Maritime Agency [Barlavento Agenciamientos Maritimos]. Balbino, who was named general agent of Mambisa in Brazil last October, believes that freight charges should be cheaper than those of other companies which operate in the region, as Mambisa is not a profit-seeking firm and the charges will "just cover costs."

The argument used by the Barlavento manager to explain the time needed for the implementation of the service is the same one used to explain the lower costs: It is a state-owned company. "For that reason, changes are slower."

Balbino says that the ships are already booked until the first half of August. For that reason they cannot arrive in Brazil until September.

The ships, which are conventional vessels (carrying containers and general cargo), will dock twice a month in Brazilian ports, according to the program worked out by the Barlavento Agency. Paranagua is the preferred port "because it is closer to some industries that export to Cuba," says Balbino, who admits that docking charges are 40 to 50 percent cheaper in Paranagua than in Santos.

Balbino explains that goods were already being exported to Cuba before relations were resumed. The operations were indirect, that is, goods were shipped to Panama or Argentina, and from there to Cuba. The most important Brazilian goods imported by the Cuban Government are paper rolls, machines for distilleries, and general machinery, according to Balbino.

He does not think that Cuba will be a disappointment in trade, even though he is aware that the country has little to offer to Brazil and does not have hard currencies on hand. Balbino understands that the payments will be made through financing and lines of credit that the Brazilian Government will extend to Cuba. Balbino says that Barlavento has received daily calls about freight rates. "Exporters are eager to get information."

Mutillo Rubens Habbema, head of the National Superintendency of the Merchant Marine (Sunaman), has not received any request yet from Brazilian shipowners to operate in the Brazilian-Cuban shipping lane.

FRANCE WANTS TO INCREASE TRADE, INCLUDING ARMS

PY041633 Rio de Janeiro O GLOBO in Portuguese 31 Jul 86 p 27

[Text] Brasilia -- France wants to increase trade, including arms deals, with Brazil because it believes that the current trade level is extremely low. This is the opinion of French Assistant Foreign Secretary of State Didier Bariani, who yesterday concluded a 2-day visit to Brasilia.

While meeting with Itamaraty Secretary General Paulo Tarso Flecha de Lima, Bariani arranged a meeting for late August with French Foreign Trade Minister Michel Noir, when the Itamaraty secretary general will be in Paris to discuss the informatics law with U.S. Government representatives.

Despite the good political climate that exists between Brazil and France, the 1985 bilateral trade level was less than $780 million (10.8 billion cruzados), showing a $480-million (6.65 billion cruzados) surplus for Brazil. The French want Brazil to increase cooperation in the energy, high technology, and even in the arms fields. According to Bariani, "France and Brazil are producing arms and if there are any possibilities of trade in that field, there are no reasons for overlooking them."

DEL VALLE SEES NO TALKS AT COLOMBIAN INAUGURATION

PY042216 Santiago Domestic Service in Spanish 1700 GMT 4 Aug 86

[Text] Before leaving for Colombia to attend the presidential inauguration, Foreign Minister Jaime del Valle made several comments. The foreign minister stated that this is just a protocol visit, thus ruling out a scheduled meeting with the Bolivian foreign minister to review bilateral issues.

[Begin Del Valle recording] [in progress] ... but there is no plan to hold talks with him. This is absolutely firm. This has also been stated by the Bolivian Foreign Ministry. Thus, it is not planned to hold talks directly linked to our bilateral relations. We will hold talks when we meet at the United Nations, where there is more time and a better opportunity for this type of meeting. [end recording]

Nevertheless, Del Valle said that Chile will continue its policy of seeking rapprochement with the neighboring country, in an effort to resume diplomatic relations.

Elsewhere, Foreign Minister del Valle said that he will meet with the special envoy that the FRG will send to Colombia and, perhaps, if the Peruvian foreign minister attends the inauguration, he will discuss pending issues with him.

Asked about a report from abroad that the United States will stop importing grapes from our country, Del Valle said:

[Begin recording in progress] ... every time economic or other type of sanctions, either by the private sector or by the port workers, were mentioned. There are other cases, involving [words indistinct] and businessmen who are coming and have overcome this situation.

Thus, I want to be optimistic and believe that these things will be overcome. Let us not forget that we have experienced this quite often and last year, we set a record in fruit exports. At any rate, I hope that [words indistinct] the difficulties (?that may crop up) will be overcome. [end recording]

Foreign Minister del Valle will return to Chile on 9 August.

Discusses Helms Charges, EEC Note

PY042345 Santiago Radio Chilena in Spanish 1700 GMT 4 Aug 86

[Relay from Santiago International Airport by Jose Francisco Contreras]

[Excerpt] Foreign Minister Jaime del Valle has said that the charges made in the United States against Republican Senator Jesse Helms are completely groundless. According to news agency reports, the FBI is carrying out an investigation regarding the alleged delivery of secret U.S. Government information to Chilean authorities by Helms during his recent visit to Chile. Helms reportedly gave information to the Chilean Government regarding an alleged secret U.S. intelligence-gathering operation. Regarding this report, Foreign Minister Jaime del Valle said that the charges are completely groundless. He said: I hope that the investigations into this matter prove the obvious, which is that Jesse Helms never supplied such information.

Regarding the declaration that was submitted on 1 August by the British ambassador to Chile in representation of the EEC, in which the EEC urged the Chilean Government to take prompt steps leading to democracy and to engage in dialogue with the opposition, Jaime del Valle reported that the Chilean Foreign Ministry has sent a note to the Chilean Embassy in London. In this note the Chilean Government states that the EEC's declaration contains some mistakes, particularly regarding the democratic transition period.

Foreign Minister Del Valle made this statement today at Padahuel International Airport minutes before his departure for Bogota, Colombia, where he will attend presidential inaugural ceremonies. [passage omitted]

OFFICIAL DESCRIBES ABRAMS' STATEMENT AS 'OUTBURST'

PY050137 Santiago Domestic Service in Spanish 2300 GMT 4 Aug 86

[Excerpt] Interior Ministry Under Secretary Alberto Cardemil has described remarks by Elliott Abrams, U.S. assistant secretary of state for inter-American affairs, regarding Chile as the outburst of a bureaucrat. The U.S. official last week made serious comments regarding Chile, as a result of which the Chilean Government has submitted a note of objection.

Asked about this issue, Alberto Cardemil categorically described Abrams' statement as an outburst.

[Begin Cardemil recording] I believe that...[changes thought] I have been pondering Abrams' remarks. My personal opinion is that they are the outburst of a bureaucrat. We should recommend that he be more careful with the handling of carrots and sticks because they can be used in many different ways. They have a lot of uses, but you cannot sit on them. [as heard] One must always keep in mind this possibility. [end recording]

Cardemil reasserted his annoyance over Abrams' statements, which constituted interference in domestic affairs. [passage omitted]

NEGOTIATIONS WITH ROMANIA TERMED 'HIGHLY SUCCESSFUL'

PY050247 Madrid EFE in Spanish 0113 GMT 5 Aug 86

[Text] Santiago, 4 Aug (EFE) -- Foreign Affairs Under Secretary Colonel Ramon Valdes today termed as "highly succesful" the recent meeting of the Joint Chilean-Romanian Commission for Cooperation and Scientific and Technological Exchange. Valdes returned today to Santiago from Bucharest, where he headed the Chilean delegation that participated in the meetings of the joint commission.

He stated that during his stay in Romania he had the occasion to meet with government officials, including the ministers of chemical industries, machinery and heavy industry, foreign trade, and foreign affairs. He indicated that during his talks with Romanian officials various political and economic topics were discussed and he stressed that the results of the Bucharest meeting "must lead to fairly concrete agreements." The next meeting of the Joint Chilean-Romanian Commission will be held in Santiago during 1987.

HUMAN RIGHTS COMMISSION WORK DEEMED 'POSITIVE'

PY050200 Santiago Radio Chilena in Spanish 2300 GMT 4 Aug 86

[Relay from Government House by Eliana Henriquez]

[Text] The government's Human Rights Commission tonight submitted to Interior Minister Ricardo Garcia the first report on the work it has carried out since its establishment almost 1 and 1/2 months ago. This was reported by Ricardo Martans, president of the government's Human Rights Commission, at the end of a 1-and-1/2-hour meeting he held with the interior minister.

Martans noted that the report dealt with about 20 of the 40 cases that have been submitted for the consideration of the commission. He added that this report includes several proposals regarding the issues discussed, but he declined to disclose them.

Asked if there is an investigation under way of the case of the relatives of Chilean folk singer Benedicto Salinas, who according to the police report committed collective suicide, Martans said that no case currently before the courts can be studied by the commission. The lawyers described as very positive the results that the Human Rights Commission has obtained so far.

SUPREME COURT RATIFIES JIMENEZ CASE CLOSED

PY041802 Paris AFP in Spanish 0103 GMT 3 Aug 86

[Text] Santiago, 2 Aug (AFP) -- According to a Supreme Court ruling, the Chilean courts consider closed the investigations into the murder which was committed on 25 February 1982. They have thus ended inconclusively, the attorney for the Jimenez family today reported. Jimenez, who was of Social Democratic leanings, had his throat slit and was shot by a unit that kidnapped him on a Santiago street a few days after he made a call for an organized opposition movement to the military regime of President Augusto Pinochet.

Three National Intelligence Center, CNI, (the secret police) agents and three pro-government labor union leaders appeared to be involved in the homicide, but the trial judge filed no indictments, and finally in 1985 the case was closed.

An appeal to annul the judge's ruling was then rejected by a higher court, and now the Supreme Court has ratified that the case is closed, said Jorge Saavedra, the attorney representing the Jimenez family. In his petition, attorney Saavedra requested that 10 inquiries be made. The inquiries would provide evidence to reopen the case.

During the now-closed investigations, information that implicated several supporters of the Chilean military regime was supplied by an official who deserted from the government's security services and took refuge in France.

POWERFUL BOMB EXPLODES NEAR ARMY BARRACKS

PY041421 Santiago Domestic Service in Spanish 1100 GMT 4 Aug 86

[Relay by Mobile Unit No. 06]

[Text] We continue on the site [word indistinct] a car bomb that exploded at about 0730 near the intersection of Figueroa and Coquimbo Streets, destroying a vehicle. We have also been informed that a person inside the vehicle was reportedly blown to pieces.

We have seen the vehicle's license plate, IJ5123. The vehicle was a Peugeot 504. According to other reports gathered at the scene, however, this license plate reportedly belongs to a Chevrolet "Opala" car whose owner is Mr Florencio Norberto Adams Cortes. This is the information we have here where the police forces who have cordoned off the entire sector, continue to arrive. The people in their houses have covered their windows because the windows of the houses located within a 1-block range were shattered.

At this moment the Carabineros have shown up and (?BOPE) personnel are gathering information to assess the magnitude of the explosion and the explosive used.

This was Mobile Unit No 6. [end relay] [Paris AFP in Spanish at 1232 GMT on 4 August in a similar report adds: "One person died and two were injured by the explosion of a powerful bomb planted today near a military barracks in Santiago, police sources have reported. The attack occurred near the barracks of the 2d Armored Vehicle Regiment."]

Another Explosion in Valparaiso

PY041423 Paris AFP in Spanish 1222 GMT 4 Aug 86

[Text] Valparaiso, Chile, 4 Aug (AFP) -- Regional authorities in Valparaiso have reported that a bomb exploded last night at an administrative office of the Chilean Carabineros in downtown Valparaiso. No victims have been reported. However, the shock wave caused substantial damage to the office's facade and to the windows of a large number of neighboring banks and government offices.

MIR DENIES INVOLVEMENT IN 25 JULY BOMB ATTACK

PY310036 Madrid EFE in Spanish 0354 GMT 30 Jul 86

[Text] Santiago, 20 Jul (EFE) -- The Movement of the Revolutionary Left (MIR) today denied rumors that it is responsible for the bomb attack in front of Government House on 25 July which injured 36 people. An individual, who identified himself as Antonio and as the security chief of the MIR Secretariat, called the EFE office in Santiago to deny the rumors. The MIR spokesman added that even though the MIR strategy is based on the "people's war," its objective is "to oust the dictatorship and lay the groundwork for a new social order," but "by no means to stage actions that may hurt innocent people." Antonio said that the bomb in front of Government House "seems to be an action by those who want to discredit the people's offensive against the regime and to overshadow the uproar that the case of the two burned youths has caused at home and abroad." He was alluding to the case of Rodrigo Rojas and Carmen Gloria Quintana.

According to relatives and eyewitnesses, the two youths were arrested, beaten, and burned by an Army patrol on 2 July during the first day of a general stoppage decreed by the Chilean opposition.

The MIR is the second armed opposition group to deny responsibility for the bombing in front of Government House. The first to do so was the Manuel Rodriguez Patriotic Front (FPMR), which called EFE and other media the evening of the day of the attack to deny its involvement and to denounce the bombing as "a criminal maneuver aimed at concealing the burned students' case behind a smokescreen."

The FPMR and the MIR, two Marxist political-military organizations, have in the past few years claimed hundreds of terrorist attacks against electric power lines, multinational companies, banks, bridges, railways, police and military barracks, and public buildings.

The bombing in front of Government House, in which 36 people were injured, has given the military government a chance to demand "a national and international uproar" against "terrorist violence," clearly alluding to the local and international reaction to the torching case. While visiting 4 of the 36 victims at a hospital, General Augusto Pinochet himself asked reporters to demand that he take strong action against terrorism, because if he does so on his own initiative, "the Vicariate of Solidarity, the priests, and everyone else will begin to protest. I then feel hamstrung and unable to do anything."

On the same occasion, Lucia Hiriart, the wife of the president, said that while so many groups "cry for terrorists, I bring my affection, my love, and my help to the victims of terrorists."

TERRORISTS ARRESTED, HANDED OVER TO MILITARY COURT

3 FPMR Members

PY282046 Santiago Domestic Service in Spanish 1700 GMT 28 Jul 86

[Relay by RSN of Rancagua]

[Text] The intendant of the 6th Region hereby reports the following:

1) On 25 July 1986, the National Intelligence Center placed three individuals at the disposal of the Cachapoal military prosecutor. The individuals, who are members of the self-styled Manuel Rodriguez Patriotic Front [FPMR], the armed branch of the Communist Party, perpetrated attacks against Endesa [National Electric Power, Inc.], pylons and held up a farm in the area. The terrorists had several bombs and homemade hand grenades.

2) The terrorists are: A. Name: O.O.G.T. [initials], age 17, alias Jorge Lalo; political affiliation: deputy chief of the FPMR (Galvarino) cell. This individual participated in the destruction of a pylon of the (Charrua) line in April 1986, the blowing up of a pylon in Totihue on 2 July 1986, and an attack against a farm on 21 July 1986 in search of weapons.

B. Name: M.A.E.P. [initials], age 16, alias Miguel; political affiliation: member of the FPMR (Galvarino) cell. This individual participated in an attack on a farm on 21 July 1986 when terrorists tried to steal weapons that the farm owner had in storage.

C. Name: Juan Carlos Gallardo Lazo, age 20, alias (Gile); political affiliation: member of the FPMR (Galvarino) cell. This individual participated in a bomb attack against a pylon on 2 July 1986 in Totihue.

3) This terrorist group stored explosives and materials for manufacturing bombs in a deserted area northeast of Rosario, not far from the city. The explosives were buried in an area of dense vegetation. The following materiel was found: 14 kg of ammonia gelatin, 23 meters of detonating cord, 8 homemade hand grenades, a large number of detonators, primers, quickmatches, safety fuses, a P25 submachinegun clip, and 9-mm ammunition.

4) It should be pointed out that before being arrested, one of the terrorists abandoned one of his weapons in a rural area. It was a Czech-made, (sec) P25, 9-mm submachinegun, serial number 114458, with a clip and 16 rounds.

5) The intendant of the 6th Region informs the people that security agencies are actively working in the area to preserve the tranquillity that the people have the right to enjoy, and the authorities have the duty to preserve.

Another 'Extremist' Arrested

PY012257 Santiago Domestic Service in Spanish 1700 GMT 1 Aug 86

[Text] An extremist who participated in attacks against bank buildings and electricity poles has been arrested. Washington Gallardo, 35, the arrested terrorist, took part in a dynamite attack on electricity poles and transformers in front of the house at 4700 Salvador Gutierrez Street on 15 June 1983. This was practically his initiation test for joining the Chilean Communist Party [PCCh]. He and 29 other Chileans were subsequently sent to training camps in Cuba to receive paramilitary instruction.

Gallardo and the other terrorists left the country secretly and stayed at the guerrilla camps financed by the Cuban Communist Party between July 1983 and February 1984. After sneaking back into Chile, Gallardo took charge of the logistical support department of the PCCh military branch in northwestern Santiago.

On 12 June 1984 Gallardo played a key role in a bomb attack against the branch office of the Quinta Normal state bank. The attack, which was staged after 2300, destroyed the building's doors and windows. On 27 July 1984 Gallardo and other criminals detonated a bomb planted at a pole carrying a transformer in front of the house at 5089 Carrascal Avenue. On 30 August 1984 Gallardo and his extremist partners once again attacked the branch office of the Quinta Normal state bank, shattering 17 glasses.

According to the information gathered by the investigative police, Gallardo had just been designated military training chief in the northwestern sector of greater Santiago. The terrorist has been placed at the disposal of the 1st Military Court in Santiago.

TERRORIST GROUPS WILLING TO CEASE ACTIVITIES

PY282020 Madrid EFE in Spanish 0756 GMT 28 Jul 86

[By Juan Jorge Faundes]

[Text] Santiago, Chile, 28 Jul (EFE) -- The Chilean Marxist left, particularly the Chilean Communist Party [PCCh], and the Manuel Rodriguez Patriotic Front (FPMR), have accepted that a Chilean military officer could head a provisional government that would lead to the reinstatement of full democracy in the country.

However, they demand that this military officer -- who could be anyone except General August Pinochet, the present Chilean president -- must "immediately implement" those measures that have been proposed by the National Accord [AN] to achieve a transition to full democracy. Although the Chilean Marxist left is not a member of the accord, it does "respect it."

They demand that this military officer must adopt the goals established by the recently created National Civic Assembly [ANC]; the largest coalition of social, union, and opposition organizations that has been established in Chile since the military coup which installed Pinochet in power in September 1973. The main objective of the ANC, 14 of whose leaders have been in jail for the past 15 days for having called the 2-3 July general strike, is precisely to pressure the government through civil disobedience so that it will be forced to lead the country to democracy. This possibility of appointing a military officer to achieve a transition to democracy has been proposed in the last few days by both the PCC and by the FPMR in exclusive clandestine interviews, according to the opposition magazine CAUCE in the issue that appeared today, 28 July.

A military transition, which has been accepted by even the left, is one of the alternatives to achieve a peaceful solution to the Chilean crisis and apparently the most feasible because the Marxist left, which traditionally comprises one third of the electorate who existed in Chile until the 1973 military coup, agrees with the idea. According to the Constitution enforced by the present regime, a plebiscite should be held in 1989 to elect or reject a single candidate, who must be proposed by the Armed Forces. This new Chilean president will start on 8-year presidential term which ends in 1997.

Members of all opposition parties believe that the holding of a plebiscite with General Augusto Pinochet in power, perhaps participating as the single candidate, does not offer them any guarantees that the country will truly head toward democracy. However, at present there is no absolute certainty that Pinochet will be the single candidate because in the last few weeks the three Armed Forces commanders (Navy, Air Force and Carabineros) have declined to comment on this issue, saying that "anyone could be the candidate" and that 1989 "is too far away."

In view of the opinions of the members of the Government Junta, Pinochet himself, who in the last few days indirectly announced that he could be the candidate in 1989, had to categorically say that "I am not the candidate. There is no such candidacy."

Among the proposals to resolve the Chilean crisis before 1989 are the so-called "immediate measures" proposed by the AN and signed in August 1985 by a large part of the opposition, but not by the Marxists. These measures include an end to the enforced exceptional measures; the full reestablishment of all public freedoms; an end to exile; the legalization of political parties (which at present are de facto); and -- the most important of all -- the holding of free, secret, and publicized elections for pre of the Republic and Congress.

According to the clandestine interviews that are published today by the magazine CAUCE, if this peaceful solution to the Chilean crisis is achieved and "if Chile is a truly sovereign country, the FPMR will cease its activities." Although it has expressed its willingness to accept a military transition to achieve the democratization of the country, the FPMR "is skeptical that a solution of this nature can be achieved." The armed group has said that "if a military officer does fulfill the objectives established in the document Chile Demands, along with the immediate measures proposed by the National Accord, and if the officer truly fulfills the democratization process, we would welcome him."

HONDURAN PRESIDENT VISITS, SIGNS TREATY

Azcona Comments on Joint Treaty

PA032346 Bogota Cadena Radial Super in Spanish 1730 GMT 3 Aug 86

[Text] San Andres -- Honduran President Jose Azcona Hoyo, who arrived in Colombia yesterday, will stay here until 7 August. The Honduran president will attend the inauguration of Colombian President-elect Virgilio Barco Vargas. Azcona Hoyo arrived on this island to sign a treaty with President Belisario Betancur committing the two countries to delimit their marine and submarine areas in the Caribbean.

Referring to the document signed last night, Azcona said it permits the creation of a new mechanism for the development of the two nations. Azcona said there is a marine and [words indistinct] wealth that will be recovered by the two countries to prevent fishing vessels from third countries from exploiting a resource that belongs to Colombia and Honduras exclusively.

Today Azcona and Betancur agreed that unity and peace is the slogan of Latin America. The two heads of state reiterated their determination to continue their efforts to reinforce the process of dialogue and political negotiation in Central America. Azcona and Betancur met in private today, after signing a marine areas delimitation treaty yesterday, Saturday, to put an end to long but friendly bilateral negotiations. Colombia and Honduras will share Serranilla Cay on the marine border between the two nations. They will also protect marine fauna and step up environmental conservation programs. The Honduran president noted that legalization of these measures is good, to acknowledge nations' rights.

Presidents Urge Union, Peace

PA041701 Madrid EFE in Spanish 2300 GMT 3 Aug 86

[By Guillermo Tovar]

[Excerpts] San Andres (Colombia) -- The presidents of Colombia, Belisario Betancur, and Honduras, Jose Azcona Hoyo, said today that "union and peace" are the most important aspects for the future of Latin America. They met today on this Colombian island in the Caribbean, beginning their talks with a private "working breakfast," in which they reiterated their willingness to continue promoting negotiations for a political agreement in Central America.

Although Betancur and Azcona held private talks, Colombian Government spokesman noted that during their 2d day of meetings, the presidents reaffirmed their conviction that political negotiation is the only path for a definite solution among the Central American countries.

Betancur maintained that "today, more than ever before, it is necessary to work for the democratization of the region," and considered that the "only path" is the Contadora Group, founded by Colombia, Mexico, Venezuela, and Panama in 1983. [passage omitted]

"It is always advisable to leave everything legalized in order to know how far our rights go and where the rights of the others begin," Azcona insisted. Azcona will go to Bogota next Thursday in order to attend the inauguration of President-elect Virgilio Barco, Betancur's successor.

The Honduran president stated that by defining the Colombian-Honduran borders "a new mechanism of development is created, because there is marine wealth in Serranilla that will be recovered by both nations in order to prevent fishing vessels from other countries from enjoying it."

Meanwhile, President Betancur said that the border agreement signed with Azcona's government "will allow our two countries to strengthen together their international relations."

Meanwhile, Honduran Foreign Minister Lopez Contreras ruled out any possible international problems in the future due to the "shared" sovereignty of Colombia and Honduras on Serranilla Cay. [passage omitted]

SENATE ELECTS THREE PERMANENT COMMISSIONS

PA040152 Bogota EL TIEMPO in Spanish 30 Jul 86 p 6-A

[By Leonel Fierro]

[Excerpts] A partial agreement between the various political sectors allowed the election of three of the eight permanent Senate constitutional commissions last night, all liberal majorities. [passage omitted]

The three commissions elected 113, 114, and 109 senators. Almost all of the members of the Senate -- as in the second case -- are formed as follows:

First Commission

Liberals: Alberto Santofimio Botero, Hernando Duran Dussan, Jose Fernando Botero Ochoa, David Turbay Turbay, Luis Guillermo Giraldo Hurtado, Jorge Ramon Elias Nader, Ricardo Mendieta Rubiano, Horacio Serpa Uribe, Federico Estrada Velez, Zamir Silva Amin

Conservatives: Guillermo Angulo Gomez, Roberto Gerlein Echeverria, Hugo Escobar Sierra, Carlos Martinez Simahan, Luis Escobar Concha (altenate for Rodrigo Lloreda Caicedo), Jose Joaquin Ortiz (alternate for Garbiel Melo Guevara), Jaime Bolivar, Jorge Sedano Gonzalez

New Liberalism: Ciro Alfonso Valdivieso Sarmiento

Patriotic Union: Hernando Hurtado

Second Commission

Liberals: Edmundo Lopez Gomez, Diego Uribe Vargas, Jorge Cristo Sahium, Jose Name Teran, Carlos Holmes Trujillo.

Conservatives: Mario Varon Olarte (alternate for Abel Franciso Carbonell), Miguel Escobar Mendez, Carlos A. Ramirez Chaux (alternate for Ignacio Valencia Lopez), Juan Carlos Ortiz Uribe (alternate for Miguel Santamaria Davila)

New Liberalism: Luis Carlos Galan

The Patriotic Union was excluded from this commission which directs the country's foreign relations and internal security, including the approval of military promotions.

Third Commission

Liberals: William Jaramillo Gomez, Ernesto Samper Pizano, Gustavo Dager Chadid, Eduardo Mestre Sarmiento, Guillermo Alfonso Jaramillo Martinez, Gustavo Balcazar Monzon, Aurelio Iragorri Hormaza, Juan Jose Garcia, Hector Jose Quintero, Victor Renan Barco

Conservatives: Humberto Arango Escobar (alternate for Omar Yepes Alzate), Silvio Ceballos Restrepo, Argelino Duran Quintero, Ernesto Garces Soto (alternate for J. Emilio Valderrama), Rodrigo Marin Bernal, Alvaro Leyva Duran, Daniel Mazuera Gomez

New Liberalism: Gabriel Rosas Vega

Patriotic Union: Jaime Montoya [passage omitted]

MARTIAL LAW DECLARED IN 4 SOUTHWEST TOWNS

PA040321 Paris AFP in Spanish 0242 GMT 4 Aug 86

[Text] Bogota, 3 Aug (AFP) -- Martial law was imposed tonight in four small towns in Southwest Colombia to facilitate the Army's antiguerrilla operations. The measure includes Belalcazar, Toex, Huila, and Mosoco, located in the central mountain range which divides the Huila and Cauca Departments located 450 km from Bogota.

A column of the National Guerrilla Coordinating Board, which consists of units from the M-19, the Indian Quintin Lame group, and other extremist organizations, has been operating in the mountainous region, Yesterday, the guerrillas killed an Army NCO and injured three soldiers during an ambush.

Today, in La Argentina, Huila Department, two rebels apparently belonging to the communist Revolutionary Armed Forces of Colombia (FARC), which attacked a 10th Brigade Detachment, were killed. Army troops, who suffered no casualties, seized weapons, ammunition, grenades, and uniforms; military sources added. Troops of the 9th and 10th Brigades are pursuing the rebels on the mountain slopes, with the help of gunship helicopters.

PACT WITHIN LIBERAL PARTY SEEKS LAINO'S RETURN

PY042028 Asuncion LA TARDE in Spanish 2 Aug 86 p 7

[Text] Usually reliable sources have been mentioning the possibility of the impending return of Domingo Laino, vice president of the Authentic Radical Liberal Party [PLRA] to Paraguay.

The return of this politician seems to be related to a possible agreement that the PLRA and the PLR [Radical Liberal Party] have been negotiating so that the PLRA will be able to rejoin the Liberal Party and participate in the 1988 presidential elections.

Among other things the agreement provides for Carlos Alberto Gonzales, one of the PLRA leaders, to be nominated for president of the nation, and Domingo Laino would become chairman of the executive board of the reunited PLR and PLRA. This group would share congressional seats with the so-called "geniolito" faction of the Liberal Party.

On the whole it is believed that the "geniolito" faction led by Emilio Forestieri and Ramon Lezcano Torres has won a remarkable political victory by getting the "authentic" sector currently led by Juan Carlos Zaldivar to rejoin the Radical Liberal Party.

It appears that this development is meeting with some opposition from the Popular Mobilization Movement of the PLRA led by Miguel Abdon Saguier who believes that the party should abstain from participating in the elections as a means of struggle. It seems that this position has considerable popular support, especially in the Central and Cordillera Departments.

The "Saguier" faction led by Juan Masi Guggiari, Felino Amarilla, Julio Cesar Franco, Hermes Saguier, Herminio Ruiz Diaz, and others is getting ready for an all-out campaign in favor of a hard attitude toward the government in keeping with true liberal traditions, according to the spokesmen.

All these developments will no doubt fall into place once Laino returns to the country in the wake of the agreement between the "geniolito" and "authentic" factions of the Liberal Party.

[Asuncion EL DIARIO in Spanish on 3 August carries on page 9 a 450-word report of a telephone conversation with Domingo Laino in Buenos Aires. Laino is quoted as saying: "I know nothing about the rumors that the government may allow me to return, but being a Paraguayan citizen I am still hopeful." Laino added that the rumors about his alleged return "could well be mere news media speculations."]

MORATORIUM DECLARED ON PUBLIC SECTOR DEBT

PY041455 Madrid EFE in Spanish 1956 GMT 3 Aug 86

[By Marisol Marin]

[Excerpts] Lima, 3 Aug (EFE) -- The Peruvian Government has decreed a unilateral moratorium until 4 November on the part of the public sector debt that is owed to private international banks. Meanwhile, the date on which the IMF can declare Peru "ineligible" to receive new loans is approaching. The unilateral moratorium, which was announced today, involves some $4.4 billion. This figure corresponds to the public debt's principal, which has not been amortized since March 1983.

This is the fourth time in a year that the APRA [American Popular Revolutionary Alliance] government, which follows the policy adopted by the Belaunde administration, has postponed the amortization. This decision was not unexpected within financial circles. It will, however, worsen the conflict between Peru and its creditors because it is not an isolated action.

The Peruvian foreign debt totals some $14 billion, of which $12 billion is owed by the public sector. [passage omitted]

On 15 August Peru is due to pay $180 million in overdue obligations to the IMF. Peru owes approximately $800 million to the IMF. If the country does not repay these obligations, it can be declared "ineligible" to receive new loans. Even though Central Reserve Bank President Lionel Figueroa a few days ago said that such a decision will have no major effect on the country, economist Ismael Leon today wrote in the newspaper LA REPUBLICA that loans totaling $1 billion are at stake. These loans could be granted by the IDB and the World Bank over the next 5 years.

Deputy Economy Minister Gustavo Saberbein and other government officials have reiterated that Peru will only pay within its capabilities, but did not mention the amount that will be repaid. Everything seems to indicate that negotiations are under way to prevent the IMF from declaring the country ineligible to receive new loans and to prevent Peru from becoming isolated from the international financial system.

In April Alan Garcia's government convinced the IMF to accept $35 million instead of the total overdue amount. This was the first time that a country whose reserves stood at approximately $1.4 billion was granted such a concession by the IMF.

Financial circles believe that the decision by the IMF will set the pace for the other creditors, and there are fears that if the country is declared "ineligible," not only will it lose the IDB and World Bank loans, but also the short-term loans to which it still has access. In September Peru is expected to propose a repayment schedule to its private creditors at the Paris Club, to whom it owes some $3.2 billion.

It has been learned that Peru will ask for at least 20 years to repay its debt, with a grace period of at least 5 years starting in 1987, and a substantial reduction to approximately 3 percent of the interest. The main problem involved in restrictions on the repayment of the debt and on the remittance of currency abroad is that they can cut both ways: during an initial phase they will reactivate industry, but industry is in turn totally dependent on foreign equipment and technology, which require the investment of many dollars.

FRG ECONOMIC COOPERATION MINISTER ARRIVES

PY041638 Paris AFP in Spanish 1638 GMT 3 Aug 86

[Text] Lima, 3 Aug (AFP) -- FRG Economic Cooperation Minister Jurgen Warnke today arrived in Lima from Caracas on an official 3-day visit. In Lima the FRG minister will end the tour that he is making through some South American countries.

Warnke's agenda includes a courtesy visit to President Alan Garcia and meetings with Justice Minister Carlos Blancas, Labor Minister Orestes Rodriguez, and other authorities.

An FRG Embassy source has stated that Warnke will discuss issues involving bilateral cooperation, the foreign debt, and trade, among other issues, with Peruvian officials within the framework of the very cordial relations between the two nations.

It has also been announced that next Wednesday the FRG minister will visit the city of Trujillo, the capital of La Libertad Department, 542 km north of Lima, where the FRG is cooperating in an irrigation project.

Announces More Cooperation

PY050208 Paris AFP in Spanish 2202 GMT 4 Aug 86

[Text] Lima, 4 Aug (AFP) -- President Alan Garcia today met with Juergen Warnke, the FRG's minister for economic cooperation, who arrived in Lima on 3 August as part of a tour of several Latin American countries.

Javier Tantalean, chief of the National Planning Institute, who participated in the meeting, stated that Warnke announced that the FRG will continue to grant Peru economic cooperation amounting to approximately DM70 million every year.

Tantalean also stated that of this sum, DM50 million is in the form of loans that will have a (?30)-year deadline, with an 8- or 10-year grace period and an interest rate of 3 percent. The rest will be nonreimbursable aid in the form of technical cooperation.

Tantalean also stressed that the cooperation that has been announced demonstrates the FRG's confidence in President Alan Garcia's government and he indicated that part of the cooperation will be used to continue with the Jequetepeque-Zana hydroelectric project in northern Peru.

ROK MINISTER ARRIVES FOR 2-DAY OFFICIAL VISIT

PY010350 Paris AFP in Spanish 0202 GMT 1 Aug 86

[Text] Lima, 31 Jul (AFP) -- ROK Deputy Prime Minister and Planning Minister Kim Man-je today arrived in Lima for an official visit that will last until 2 August.

During his stay, and in his position as special envoy of the ROK president, Kim will hold meetings with government officials and congressmen.

UPDATE OF TERRORIST ACTIONS IN HIGHLANDS

PY042302 Paris AFP in Spanish 1731 GMT 4 Aug 86

[Text] Lima, 4 Aug (AFP) -- The police reported today that Shining Path columns have beheaded four vigilantes and murdered a provincial governor, a member of the ruling APRA Party [American Popular Revolutionary Alliance], and that two members of the Army were wounded by alleged subversives on the outskirts of Lima.

Meanwhile, in Puno, in the southeastern Andes, terrorists blew up the 90-meter antenna of the Catholic radio Onda Azul. The region was without electricity or telephone service for some hours on 3 August because the antenna fell on the main electricity and telephone lines. Arturo Bernal, APRA's candidate for mayor of San Roman, and four of his companions have now been missing for 4 days.

Approximately 60 guerrillas, armed with submachineguns and explosives, on 2 August attacked the community of Gentabamba, in the Ayacucho province of La Mar, and surprised four members of the campesinos' vigilante organization, a self-defense group, tying them up against tree trunks. They then tortured them with machetes and beheaded them.

The provincial governor of the community of Juli Egusquiza has reported that the heads of the victims were hung from trees. Egusquiza has demanded the capture and punishment of the criminals, who fled to higher parts of the Andes.

On 3 August another five subversives murdered Gregorio Guispe, 36 provincial governor of Vischongo (Ayacucho). He was shot three times, according to the source.

Sergeant Hugo Urbano, of the Army's Air Transport Division, and soldier Estanislao Maximo, of the artillery, on 3 August received bullet wounds during an alleged confrontation with a terrorist group in the shantytown of Tablada de Lurin, located on the outskirts of Lima.

Despite the strict secrecy regarding this incident, it has been learned that the soldiers are in the military hospital. Meanwhile, three alleged members of the PIP [Peruvian Investigative Police] on 3 August shot Civil Guard Sergeant Antonio Montoya during a confusing incident that took place during the hours of the curfew. This case is also being investigated.

Reports from Arequipa, 1,000 km south of here, indicate that during the past 3 days approximately 70 campesino families have arrived in this city from Puno, 1,314 km southeast of Lima. They arrived in seven trucks and sought security from the continuous subversive actions.

Mariano Mamani Sutira, the group's spokesman, stated that the exodus of campesinos from Puno will continue, especially from the regions of Melgar and Azangaro, where armed groups destroy the crops and steal the cattle, leaving the campesinos in absolute poverty.

An official from Arequipa has indicated that the social problem is extending, and he recalled that more than 80 percent of the population of the shantytowns that encircle the country's second most important city have come from Puno.

EX-COLONELS ARRESTED FOR CRITICIZING COMMAND

PY042205 Paris AFP in Spanish 1406 GMT 4 Aug 86

[Text] Montevideo, 4 August (AFP) -- Defense Minister Juan Chiraino today confirmed the arrest of two retired colonels who were promoting a public declaration to reaffirm military honor.

According to the minister, the two officers will receive appropriate punishment for 15 days by order of Army Commander in Chief Lieutenant General Hugo Medina.

According to Chiarino, the colonels' initiative implied a veiled accusation against the commanders, who, in their opinion, failed to defend military honor.

The minister also said that the Army commander is now studying the situation of a magazine published by the Military Center, the largest social institution of the military.

The publication called EL SOLDADO, in its latest issue, criticized Uruguayan communists and stated that the military should speak up and call attention to topics related to national defense.

EL SOLDADO also said that the former members of the military junta that governed Argentina, Jorge Videla and Emilio Massera, were victims of Marxist revenge when they were sentenced last December to life imprisonment by the civilian courts of that country.

The magazine accused Argentine President Raul Alfonsin and public prosecutor Julio Strassera of acting in a spirit of revenge on that occasion.

Chiarino said that the malicious and absurd mentioning of Alfonsin was most unfortunate.

He added that, in his opinion, the statement was made by some ill-humored military newspaperman, who just decided to say things that are absolutely unnecessary and unsuitable.

The minister added that the Armed Forces feel cornered because there is an effort to annoy them and pass adverse judgment on the military.

In view of this situation many military men react in a way they should not, instead of understanding the difficult times we are going through, the minister said.

At the present time the political forces in Uruguay are trying to find a solution to end the controversy over human rights violations during the last military regime. The minister said that all measures that bring a little peace, calm judgment, and even justice will be welcome.

Chiarino did not say what procedures would be used, but stressed the need for consensus to find a solution which, if it is not satisfactory to all, would at least cause the least possible resistance.

LEADERS ARRIVE FOR GROUP OF 6 MEETING

Sweden's Carlsson Arrives

FL042238 Mexico City NOTIMEX in Spanish 2137 GMT 4 Aug 86

[By special correspondents Eduardo Gonzales and Rosana Fuentes]

[Excerpt] Ixtapa-Zihuatanejo, Mexico, 4 Aug (NOTIMEX) -- Swedish Prime Minister Ingvar Carlssson is the first Group of Six leader to arrive for the peace and disarmament summit. He arrived at the Ixtapa-Zihuatanejo International Airport at 1240. His flight from Sweden included stops in New York and Mexico City.

The leader of the Swedish Government is accompanied by Swedish Ambassador to Mexico David Ingvar (Wirmark), press representative (Kuell Jolme), and Mexican Ambassador to Sweden Andre Rozenthal and his six-member delegation. [passage omitted]

Greek PM Arrives, Greets Castro

NC041945 Athens Domestic Service in Greek 1800 GMT 4 Aug 86

[Text] Greek Prime Minister Andreas Papandreou held his first meeting with Mexican President Miguel de la Madrid this afternoon, opening his official visit to Mexico. He arrived in the country today after making a stopover in the Azores.

Upon leaving the Azores, Papandreou expressed his thanks to the Portuguese Government and to President Mario Soares. He reiterated his wish for continued close and firm cooperation between the two countries to consolidate regional peace and security. As his plane flew toward Mexico, Papandreou sent a message to Cuban leader Fidel Castro offering warm greetings and sincere wishes to the Cuban leader and the friendly Cuban people for happiness, prosperity, and progress.

Papandreou, De la Madrid Talk

FL042041 Mexico City NOTIMEX in Spanish 1801 GMT 4 Aug 86

[Excerpts] Mexico City, 4 Aug (NOTIMEX) -- Greek Prime Minister Andreas Papandreou met today in the national palace with Mexican President Miguel de la Madrid.

Papandreou arrived in Mexico City yesterday for an official 3-day visit prior to the Group of 6 meeting on peace and disarmament which will be held on Wednesday and Thursday [6 and 7 August] in Ixtapa, Guanajuato.

The Greek Prime Minister arrived at the national palace at 1000 accompanied by a 14-member delegation and his wife (Margarita). There he met with the Mexican chief of state.

The meeting between the two statesmen was friendly and without ceremonies or speeches. They immediately moved to the presidential office to exchange gifts and begin the first round of private conversations.

During the approximately 45-minute meeting, De la Madrid and Papandreou discussed bilateral relations. [passage omitted]

The Mexican president will bestow the Order of the Aztec Eagle on the Greek prime minister, and Papandreou will respond with the Great Cross of the Order of the Savior (Orden del Salvador).

PETRICIOLI ON IMF AGREEMENTS, WORLD BANK CREDITS

FL311530 Mexico City NOTIMEX in Spanish 1326 GMT 31 Jul 86

[Excerpts] Mexico City, 31 Jul (NOTIMEX) -- Finance and Public Credit Secretary Gustavo Petricioli said yesterday [30 July] there will be a substantial increase of public and private investments and assured that the agreements reached with the IMF in no way will cause greater budgetary cuts.

Interviewed at the end of a ceremony marking the 49th anniversary of the Finance Secretariat's National Workers Union, Petricioli said the IMF agreements will not bring about a recession because they are part of the presidential program.

Shortly after, while heading a meeting of the National Bank of Rural Credit Consultation Council, Petricioli reported that Mexico will ask the World Bank for a $500-million credit line, which will mainly be used for rural development. [passage omitted]

WORKERS' UNION SEES REVOLUTION IN DANGER

PA020104 Mexico City EL DIA in Spanish 25 Jul 86 p 7

[Text] CTM [Confederation of Mexican Workers] leader Fidel Velasquez demanded yesterday that democracy be perfected without making concessions to the right. He also warned that the revolution is in danger, due to the efforts to create a local congress; turn the Federal District into another state, and increase the number of legislators in the Chamber of Deputies and Senate.

At a news conference, Velasquez said that if the minorities' presence in the legislative bodies is augmented, the doors will be opened to the reactionary party (PAN) [National Action Party], whose leaders are allied with the political clergy, the business sector, and the most retrogressive forces in the United States.

Shortly before presenting reporters with a document defining the CTM position on electoral reform, which will be submitted to Government secretary Manuel Bartlett, Velasquez asked the leftist parties to join the CTM in preventing the advance of the right as the PAN is in position to take advantage of the reform.

He said that given the current economic situation, it is not possible to spend more to support the legislative branch when the government has insufficient funds to meet its commitments. He said it is feared that the PRI might lose its majority position by granting concessions to its enemies. He also noted that although differences exist within the PRI, it is possible to disagree. He then said that the CTM will try to bring about the necessary reforms so the PRI can consolidate its role as a spokesman for the revolution and its position as the majority party.

Velasquez states in the CTM document that it is essential to perfect our constitutional separation of powers, to strengthen the legislative branch since a vigorous executive branch is completely compatible with a legislative branch that fully carries out its functions.

The CTM wants the Federal District to remain the seat of the government, as the citizens who live in the capital of the republic have at their disposal the instruments required to express their actions and viewpoints. The Consultative Council should become a body for consultation and be given greater responsibilities, its members should be elected directly by the citizens, and they should be empowered to propose bills and regulations for the best administration of the Federal District.

BRIEFS

DRUG TRAFFICKERS ARRESTED -- Interpol agents have arrested two local municipal police agents who were involved in cocaine trafficking and offered protection to well-known traffickers in Culiacan. Alfredo Feliz Chaidez and Eduardo Lopez Nunez were arrested while carrying the drugs and three automatic machineguns, which were confiscated along with a 1985 Bronco station wagon and a new Volkswagen; the vehicles had been reported stolen. [Summary] [Mexico City EL UNIVERSAL in Spanish 28 Jul 86 p 1-B PA]

MARIJUANA PLANTATIONS DESTROYED -- Mexican Army soldiers of the 16th Military Zone on 27 July destroyed a marijuana plantation in Querecuaro, Guanajuato, and arrested seven people involved in drug trafficking. The soldiers destroyed 1.5 hectares planted with marijuana in Guanajuato, while the police reported it had destroyed 11 marijuana plantations in El Mermejo, Xalisco. [Summary] [Mexico City EL NACIONAL in Spanish 28 Jul 86 p 7 PA]

DRUG CAMPAIGN SUMMARIZED -- National Defense Secretary Juan Arevalo Gardoqui has reported that during the present administration, the Mexican Army has destroyed more than 407,000 plantations of poppy seed and marijuana located on 47,795 hectares of the national territory. He added that in the actions of the permanent campaign against drug traffic, 14,200 have been arrested and 142 clandestine airstrips have been destroyed. In this effort of the Mexican Government 25,000 soldiers and 1,225 officers participated in the operations. The Mexican Army has suffered 381 casualties. [Summary] [Mexico City EL NACIONAL in Spanish 30 Jul 86 p 3 PA]

COLUMNIST TERMS HELMS' RECORD 'ABERRATION'

PA041641 Panama City LA ESTRELLA DE PANAMA in Spanish 2 Aug 86 p A 2

[By Luis Manuel Martinez]

[Excerpts] The political record of Republican Senator for North Carolina Jesse Helms is a most overwhelming aberration in Washington's political circles. Helms finances his campaigns with donations from the country's most important tobacco firms. In exchange for that support he has dedicated himself to struggling to include huge subsidies for tobacco farmers in the U.S. budget. [passage omitted]

Helms' behavior is disturbing and highly combative because he provokes crises between Washington and the governments of Latin America. [passage omitted]

What initially appeared as a concern by Helms for democracy in Panama soon began to take another shape with the beginning of debates that provoked intemperate statements from him. On one occasion he said that "the United States must recover control of the Canal." Later he acknowledged that his attacks on General Manuel Antonio Noriega concern United States' retention of the canal.

Multi-faceted which includes disinformation, economic aggression aimed at eliminating banking system secrecy, and systematic attacks that have included the questioning of respect shown for human rights in Panama has, without a doubt, its most important spokesman in Jesse Helms.

The State Department has repeatedly deprived Helms of authority, but he must serve big consortiums by attacking Panama, proudly supporting apartheid, and supporting the repression imposed by Pinochet as basic elements of U.S. foreign policy.

The virulent anti-Panamaian campaign apparently has become a generalized activity among some Washington sectors. In the meantime, there is no sign of a prompt solution to the Salvadoran crisis or of a negotiated solution in Nicaragua.

The Reagan administration has been paralyzed by an ambivalent position that delays and complicates problems. [passage omitted]

ASSEMBLY PRESIDENT ACCUSES OFFICIALS, BARLETTA

PA010018 Panama City LA PRENSA in Spanish 29 Jul 86 p 1

[Text] In a news conference, Camilo Gozaine, president of the Legislative Assembly, has made serious charges against former President Nicolas Ardito Barletta. "Former President Nicky Barletta is one of the biggest sponsors of anti-patriotic Panamanians. Those things which he did not defend as a man here in Panama, he is bemoaning like a woman in U.S. lobbies," Gozaine said.

Gozaine made these claims in the Blue Room of the Legislative Assembly yesterday morning where he invited the national and foreign news media to hear details of his tour to several states in the United States.

Adding further bitter accusations against former President Barletta, Camilo Gozaine said that Barletta was selling out the country and plotting against the government, the fatherland, the Defense Forces, and General Manuel Antonio Noriega. To back up his accusations, Gozaine said that former President Barletta sends letters monthly to U.S. Secretary of State George Shultz regarding the situation in Panama. They all contain adverse and unfavorable remarks. It seems he had other ideas when he was elected president." "He forgot that he is a Panamanian, but luckily, we found out about it in time," Gozaine said. Gozaine said that in those letters, Barletta reported a series of wrongdoings within the government of Eric Arturo Delvalle and the Panama Defense Forces. He added that by using this method of misinformation, former President Ardito Barletta was showing his bitterness and his desire to become a political leader. Gozaine said that the misinformation campaign against Noriega, which was being conducted through U.S. newspapers, was financed by Panamanian opposition sectors headed by Roberto Eisenmann. He said that Eisenmann's famous remarks that they want to kill him give the government a new responsibility. He must be protected from the mafia to which he is tied, so they do not kill him and so the opposition does not go around saying that the Defense Forces killed him. "I am more concerned about that fact because Eisenmann is not afraid of being sentenced here; he is more afraid of the people he joined to accuse Noriega. He is afraid of those who have him by the neck, and if he takes a step backward he knows what will happen to him. We have to take care of this man...we have to take care of him so nothing happens to him!"

He also accused Legislator Mayin Correa of the Labor Party of using the radio and press media of Florida to plot against the fatherland and to distort the actual Panamanian situation. As an example of this, he mentioned the false report about the alleged visit to Panama of Cuban President Fidel Castro. "We also know that millions of dollars have been spent for the continuation of a campaign to destroy General Manuel Antonio Noriega's image as commander-in-chief of Panama's Defense Forces," Gozaine said.

The assembly president condemned the "ostrich" attitude assumed by David Samudio, Panamanian ambassador to the United Nations. "When problems began to appear, Samudio went to Switzerland, and Leonardo Kam had to take care of the Panamanian delegation," Gozaine said.

"The Foreign Ministry is to blame," Gozaine said. He also disagreed with the fact that the Foreign Ministry did not translate the resolution which supported General Noriega, defended Panama's sovereignty, and condemned bad Panamanians. He disagreed, as well, that the Foreign Ministry did not distribute it in the United States and throughout the world so people could know about the position of the Legislative Assembly and of the Panamanian people.

He later said that bad Panamanians had offered to let the United States establish military bases throughout the country and retain control of the Panama Canal after 31 December 1999 if the United States helps them win the elections in 1989.

Asked by LA PRENSA if he felt that General Manuel Antonio Noriega could be a presidential candidate in 1989, Camilo Gozaine said he believed Noriega could be a presidential candidate because General Noriega could strengthen the democratic process in Panama. Gozaine said that he would not think twice about supporting Noriega as a presidential candidate.

"General Noriega has all the necessary qualities to lead this country. He has been the equilibrium here, because as a military man he has told the United States that there will not be any additional U.S. bases in Panama; the current bases will be gone by the year 2000," Gozaine said.

DELVALLE ON BANKING SECRECY, CURRENCY SYSTEM

PA020028 Panama City LA ESTRELLA DE PANAMA in Spanish 31 Jul 86 pp a-1, a-16

[Text] His Excellency President Eric Arturo Delvalle said last night during a dinner which the National Banking Commission offered in his honor to celebrate the commission's 16th anniversary that "the banking center which is now an integral part of our economic system has a fundamental role to play in the safeguarding of the peace, liberty, and progress necessary for increasingly efficient and growth-oriented banking activities."

The president said that Panama's banking system is composed of financial institutions recognized both nationally and internationally. He noted that the institutions of 30 countries in addition to a growing group of banks with Panamanian capital are represented in the banking system of Panama.

One important aspect cited by the president was that of the monetary system, which has particular characteristics significant for our economic development. The utilization of the dollar as a legal currency in Panama, the facilities for carrying out operations in any other currency -- without restrictions on exchange or on the transferring of money abroad -- and the certainty that foreign deposits will not be affected by political measures or by the freezings of assets, further strengthen our development as a services country, the president said.

Delvalle affirmed: "We Panamanians have always agreed that the traditional conditions and facilities provided by our monetary system should be safeguarded. Because of this, and based on what is established in our Constitution, my government has never considered issuing paper currency." Delvalle noted, in front of the large and distinguished audience, that bank confidentiality is intrinsic to our legal institutions and was not just born out of a simple article included in some legal text. "Confidentiality," he said, "was born out of and grows with the republic and is intrinsic to all our institutions." He noted that confidentiality implies the obligation of proper utilization; otherwise limits would have to be placed on it by applying the special mechanisms provided in our laws for the investigation and prosecution of illegal conduct.

The president knows very well that the talks his government has held with representatives of the United States on strengthening the ties of mutual cooperation to curb financial activities related to the illegal drug traffic have created concern in banking and legal sectors and in the community in general. But those conversations were the most suitable opportunity to "reiterate our firm decision to maintain and protect the institutions of our legal and banking systems," he said. He also stated: "The illegal traffic of drugs is shameful, and all its manifestations deserve our condemnation and rejection. My government is struggling to forcefully curb this damnable scourge. We are struggling tirelessly, and we will continue doing all that is necessary to strengthen our struggle against that activity."

Delvalle told his audience that a draft on the National Banking Commission rules has been prepared and is being studied by the commission members. He said that many initiatives from the banking sector have received official support and have become a reality as a result of a united effort. Now they are no longer just studies and plans, but are national laws and regulations that day by day accomplish the task for which they were created. Some of these laws are: the Trust Law, the Decree for the Exercise of Trusteeship Business, the Joint Accounts Law, the Elimination of the Tax on Heirs, the Liberalization of Banking Hours, and the Increase of Interest on Small-Account Deposits.

The president said that the Panamanian banking center has been the object of a smear campaign which does not at all portray the behavior of the bankers or our legal situation.

Delvalle called "for united efforts by the government and the banking community to safeguard the image of professionalism, integrity, seriousness, and efficiency for which we have made efforts for so many years. [quotation marks as published]

LAWYERS SEE USAID AS VIOLATING SOVEREIGNTY

PA032334 Panama City LA REPUBLICA in Spanish 3 Aug 86 pp 1, 8-a

[Text] Panamanian lawyers are greatly concerned over the manner in which USAID, directed by Ronald Levin, has attempted to involve itself in Panama's administration of justice, in open violation of Panamanian sovereignty.

After the first warning given by Robledo Landero, a student of law and political science, who reported that USAID had offended the country by attempting to establish guidelines for the administration of justice in Panama, all of the legal sectors and groups expressed their dissatisfaction over this attack on the country's self-determination and on the management of its laws.

After in-depth consultations with lawyers in Colon, Rafael Solano said that Ronald Levin's attitude has been totally rejected by the lawyers because it interferes with the judicial branch's sovereignty and jurisdiction.

Meanwhile, lawyer Pedro Brin Martinez, a legislator from Darien, said that USAID's unscientific policy has degraded his province.

Likewise, Drs Dilio Arcia, Romulo Escobar Bethancourt, and Luis de Leon Arias, as well as Luis Carlos Cabeza and Vicente Arosemena Chang, have publicly rejected USAID, which has specific functions to fulfill in Panama.

COSTA RICA

FOREIGN MINISTER MADRIGAL SPEAKS AT OAS

PA311600 San Jose Domestic Service in Spanish 2100 GMT 30 Jul 86

[Speech by Foreign Minister Rodrigo Madrigal Nieto to the OAS General Assembly in Washington, D.C. -- live; broadcast in progress]

[Text] ...for the opportunity that the OAS Permanent Council gives me to address you.

Representing Costa Rica as foreign minister for the first time has given me the opportuni to see for myself that you live under that fraternal spirit that gave birth to the OAS. In the present circumstances it is appropriate to consolidate and strengthen this institution destined to fulfill high-level functions in favor of the protection of peace and security in the Latin American nations.

Mr President, Ambassadors, Mr General Secretary, I bring special and respectful greetings from Cost Rican President Oscar Arias Sanchez to this distinguished organization and its illustrious representatives.

I come to the OAS with a message of hope. I am here convinced that with the fraternal cooperation of democracies it is still possible for freedom to triumph over the threats of tyranny. It is still possible for justice to triumph over sinister illegality.

Costa Rica comes to this forum with the sincere humility of a nation where freedom, justice, and democracy become intermingled to form a long course of historic harmony. Costa Rica, a small country located between two large continents, will soon celebrate 100 years of pluralist democracy. This event has a special meaning, because Latin America is living a time of democratic revival. We are very pleased to see the political achievements and stability that characterize most of the Caribbean sister nations and the return of democracy throughout America, particularly because these events will lead to happier days for the peoples of the continent.

We, the inheritors of Bolivar's heroic liberation deeds, the sons of these lands, cannot help but be pleased with the political advances made by Argentina, Brazil, Guatemala, and Uruguay, whose splendid victories in the field of human rights and electoral sovereignty, will hopefully bear fruits in those countries where the splendor of freedom does not glow yet.

However, we are very concerned over and firmly reject the recurrent attacks that a well-organized international campaign promotes against the enormous efforts aimed at consolidating pluralist, representative democracy in the entire hemisphere. We are also extremely concerned about the increase in social and economic problems in this part of the world, because they augur even more difficult times for the stability of democracy and the maintenance of freedom. The economic crisis in the Latin American countries has no equivalent in history. [Words indistinct] once we talk about the problem of the foreign debt, which overwhelms us.

During the days of dollar abundance and high interest rates, the climate was suitable for international banks to facilitate large amounts of money and for governments to be ready to spend them, rightly or wrongly, each of them following the dictates of its conscience.

Today, the payment of those debts cannot lead the debtors to bankruptcy or sink them in the chaos of [words indistinct], not only because a human sense of economy rejects such a possibility, but also because -- to mention the most obvious and important reason -- that disaster would also strike the creditors.

In Latin America, the difficult fulfillment of those financial obligations is linked to the very firm struggle that we should carry out against traditional structures of injustice and oppression, the seriousness of which has provoked a socially explosive situation.

At the present time, to those serious problems, which are already tragic in our countries, we must add the [words indistinct] of drug trafficking, the source of immorality and social problems.

Regarding this particular topic, Costa Rica wants to urge the American governments to join efforts within the OAS framework to wage an effective and overall battle against the production and commercial sale of (?hallucinatory) drugs. I also avail myself of this opportunity to reassert Costa Rica's absolute and unconditional support for the work being carried out by the OAS against drug trafficking.

The latest conference in Rio de Janeiro unequivocally proved the willingness of the member-states to jointly participate in the struggle, which should be waged by all those who are proud of their honesty and possessed with the highest values of Christian morality. Furthermore, we also think it is necessary to urgently form a democratic alliance to develop democracy. It is quite true that [words indistinct]. We believe that since nuclear power has been unleashed on the battlefield, modern man has no other choice but to form an ecumenical world government which is the result of an agreement, reflects the free will of nations, and has the intention of safeguarding our cultural values.

Mr President, distinguished representatives, without delving too far into our ideals we must state that we are firmly convinced that peace will be effectively attained only if it is based on the structure of a pluralist democracy. This general rule takes on dramatic significance within the Central American context. These five small nations -- intimately united by their geography and history and currently engaged in technological and economic efforts to achieve development -- would see all their possibilities of achieving peace and development destroyed if a Marxist regime that defies history, attacks the church, sacrifices freedoms, and hinders all types of efficient and positive work is established in their midst.

We insistently continue to advocate Costa Rica's example, because it is a country that does not suffer the scourge of starvation precisely because it is not affected by national crime, much less by the scourge of a civil war.

Mr President, please allow us to add -- at a time when the refugee problem has created an anguishing situation that will have grave consequences -- that not one single Costa Rican is part of the legions that wander the area searching for peace, employment, and justice. However, we have had to receive hundreds of thousands of these refugees who migrate to our country, sick, hungry, and horrified by the future that awaits them if they remain in their homeland -- which is far from being the worker and peasant paradise that is described by the propaganda and [words indistinct].

Consequently, we believe that peace cannot be achieved without social justice because it would involve the installation of regimes that violate human rights in the broadest sense. This was generously stated by the OAS in the American Declaration of Human Rights and Duties. Costa Rica's peace and its pluralist democracy are the result of a national consensus concerning social justice and liberty.

Mr President, we believe that national harmony is only possible if it takes place in an atmosphere that favors people and societies alike. Thus, in the last century we developed social institutions with the state's participation. These were based on a general education system that has been free and mandatory since 1879.

Cost Rica does not refute the argument of those who insist that violence should become a sine qua non condition to the progress of majorities, simply because it is not aware of the ire of the deprived sectors -- whom His Holiness Pope John Paul II called "my dearest sons" during his recent visit to Colombia. No, quite the contrary, we do it precisely because we believe in the dignity of human beings, in the unwaivable responsibility to defend this dignity, and we strongly reject those who, in the name of peace, call for arms; who in the name of reconciliation, promote distrust among brethen; who in the name of international harmony insult their neighbors and lie to the world.

Mr President, Costa Rica does not brag when it strongly defends what it believes is evidence. This is not a propagandistic trick. For the sake of pluralist democracy, Costa Rica has honestly embraced the highest and most cherised values of peace and liberty [words indistinct] respect for sovereignty, as stated at the ballot boxes. Given the external conflicts, if we turn our neutrality into our strength and alter ego, and the pen and the plow into our arsenal, it is done by conviction, not because someone has imposed this decision on us.

Back in 1955, the illustrious president of Costa Rica, Juan Rafael Mora -- who is very dear in the memory of this orgnaization in view of the presence of [words indistinct] in the galleries [words indistinct] of the OAS -- said: Peace is our glory, I want nothing else for Coast Rica. It is more solid than brilliant. Glory preserves everything and destroys nothing. Glory ensures to the fatherland all of its arms, and all of its support for the family, and all of its resources for the government.

Perhaps that authentic and sincere observance of democracy is the reason why Cost Rica has been respected among all nations, and why it can look in all directions without any resentment. Perhaps an analysis of the relations of our nations with the United States should be made in these organizations, and sometimes it entails strong arguments. However, that is not the case with us because we have received only respect and consideration throughout many years. With the United States, we maintain sincere friendship, similar to the one we have with all the nations with which we share the principles of democracy and freedom.

We are allies in the cause of democracy with the [word indistinct] and the dignity that is proper of friends who are respectful of each other. It is not that differences do not arise among our governments, but we solve these through dialogue, as is proper for those who have identified themselves in the struggle for the (?main) cause of man. Mssrs Representatives, it is with this purpose in mind, free of prejudice and rancor, that Costa Rica is here before you to advocate all the most noble causes that were the goals of Bolivar, Jefferson, and Marti; of [name indistinct], San Martin, and our Central American forefathers.

In a very simple manner, in the most pure Latin American tradition, we reiterate our faith in the ideals that have made this continent a great one and that now become very valid in view of the threatening problems. We ratify our commitments to unity and harmony, to peace and pluralism, to justice and to human and overall development, all of which are the results of a tradition of freedom that resulted from the never-ending sources of knowledge.

These pillars nourish this magnificent democratic revolution in Latin America, which has some of its most illustrious men ruling its countries in an extraordinary manner [words indistinct].

Within this framework of ideas, for 3 long years we have supported the efforts of the Contadora Group. We believe in Latin America, and we recognize the brave and worthy efforts that the four brother countries of this group have devoted to the cause of peace and cooperation in Central America, as well as the valuable support that the Lima Group has given at all times. As we have said in another document, the validity of the Contadora Document would not represent any change for Costa Rican life. [Words indistinct] has been a natural way of living for many years in our country. However, we are aware that as long as democracy is not guaranteed throughout the entire area, we would not see even the faintest light of the peace that we want for all of Central America and [words indistinct] the active participation of [words indistinct] promoted by that group of brotherly nations.

However, we have recently [words indistinct] with frankness not to endorse -- not even in a tacit manner -- that double language of those who promise something in a document and then act in an opposite manner. We have also called your attention in a friendly manner to the fact that it is not permitted to tolerate negotiations for an indefinite period of time to give true context to the document. It would be like the potter who becomes a slave to his clay [words indistinct].

Messrs Ambassadors, at this moment, the [words indistinct] the work of democracy in Central America is truly urgent. Faithfully interpreting the history of the continent that is rich in positive examples of cooperation with other regions of the world, Costa Rica has led a movement that is recognized by the European democracies, nations with which Latin America shares, not only cultural ties of great wealth, but also a common destiny that loves freedom.

There have been many achievements during the conquest [of the hemisphere]. Let us recall only one, an example. When answering a note from the Colombian Government in which [words indistinct] he explained how his pages from the constitution of Rio Negro that abolished capital punishment back in 1863 had exerted an influence and said: I have devoted my life to progress and the starting point of progress in earth is the inviolability of human life. This principle [word indistinct] the end of war and the abolition of [words indistinct]. The end of war and the abolition of [words indistinct] are the elimination of the sword. Once the word is eliminated, [words indistinct] are eliminated, as then there is no reason for being or means of [words indistinct].

The Republic of Colombia, he added, by abolishing capital punishment gives a very good example. This will give a [words indistinct] and will move as fast to glory and happiness.

The great path has been opened. Let America march, and Europe will follow.

These were the words of the great [words indistinct]. Inspired by such lofty thoughts, Costa Rica -- which also constitutionally outlawed the death penalty in 1872 and the Army in 1949 -- continued cultivating Europe's friendship, which was based upon our cultures. [Passage indistinct] the advantages of greater European participation in Central American problems, a more realistic participation, closer to the scene of the events, so that with its keen perception it could contribute to broadening the path suggested in the beatiful epistolary exchange cited earlier, and to implementing democracy on the isthmus.

Following this concept, in 1984 the Central American, EEC, and Contadora Group foreign ministers met in our capital for an open dialogue known as San Jose I.

This was a new and promising phase of cooperation between Western countries. Later meetings in Europe have reaffirmed this tendency toward brotherly rapprochement by contributing new ideas, new speakers, new perspectives, and broadening the relatively close limits of the negotiations that have taken place so far. Thus, the importance that Costa Rica attributes to this forum's third political and economic meeting to be held in Guatemala.

It is imperative to vividly revive the common underlying interest of the democracies of America and Europe in achieving total democratization in all Central American countries, and thus to create a big alliance that will exert fraternal pressure on those governments that, forswearing their initial promises, abuse democracy and violate the political and social rights of their people.

The economic and political dialogue is not sufficient by itself. We have insisted that dialogue is positive, but it should not be an endless dialogue in which no specific agreements are reached. Each extraordinary session of the assembly on cooperation for development extends traditional space and allows us to have a thorough discussion of this subject. The nations that have achieved greater scientific and technological development have an obligation to meet, not only through ideas, but also in the political and diplomatic fields. It is precisely due to their privileged economic positions that they should increase their contributions at the various levels of the international cooperation. Nevertheless, independently from that, we would like to listen to the voice of Europe -- as warm as Lafayette's response to Washington at the crucial moment -- turning the diplomatic negotiations and the economic and political cooperation into a source of fraternal unity for the benefit of democracy.

Mr President, Ambassadors, Secretary General, we have presented all these facts to you as a testimony of the deep interest of Costa Rica in propitiating another fruitful stage in the relations of the Western democracies. We have also done this because we believe that this democratic alliance would provide a cooperation that is full of [words indistinct] which would be supported by the wise warning of Juarez on respect for other people's rights and the peace.

We could say here that within this favorable scheme, Costa Rica forsees for all our people the destiny that they deserve as sons of this continent, called to be great in history because it knew how to forge the indissoluble alliance of freedom and justice, which are the only foundations of peace.

BISMARCK CARBALLO ON FSLN ACTIONS AGAINST PRIESTS

PA021852 San Jose Radio Reloj in Spanish 0100 GMT 2 Aug 86

[Text] A priest expelled from Nicaragua has charged that that government is conducting a campaign to legalize abortion. Msgr Bismarck Carballo charged that FSLN officials are conducting a campaign to legalize abortion. Msgr Carballo was expelled from Nicaragua together with Msgr Pablo Antonio Vega. At a press conference held this afternoon in the San Jose archbishop's palace, he said that regrettably the church in Nicaragua has no news media to guide the public against this policy, which assails human life.

Cardinal Miguel Obando y Bravo has received threats. Although he has a private telephone, Cardinal Miguel Obando y Bravo has received threats and insults through anonymous telephone calls, Msgr Bismarck Carballo said. He said that his expulsion and that of Bishop Vega from Nicaragua are seen as actions by the Sandinist government to try to eliminate Mgsr Obando y Bravo. Since he feels that he is entitled to return to his fatherland, he said that he has continued asking the FSLN to allow him to.

Msgr Carballo said: I do not think that I have to retract my statements as the Sandinist government officials are demanding to let me return to my country. He reiterated that the FSLN charges are false because he as well as Bishop Vega have never campaigned in favor of the Reagan administration's $100 million in aid to the counterrevolution. Msgr Carballo said that they have spoken clearly and concisely on the Catholic Church's hardships in Nicaragua and in defense of human rights. Bishop Vega did not come because he is taking care of duties assigned by the pope. Bishop Pablo Antonio Vega did not come to San Jose for the 2 August religious feast because he has to take care of some matters regarding Central America in Rome, at the order of His Holiness John Paul II. Meanwhile, as was reported yesterday, Cardinal Miguel Obando y Bravo did not accept an invitation by the San Jose Episcopal Conference lest the Sandinist government not allow him to return. However, Msgr Carballo said that the head of the Catholic Church in Nicaragua has scheduled a visit to El Salvador in August.

Nicaraguan exiles in Costa Rica participated in a pilgrimmage to Cartago. Msgr Carballo is in the country to participate in the pilgrimmage to Cartago by Nicaraguan exiles to pray to the Los Angeles Virgin for peace and liberty in Nicaragua. Nicaraguan Catholics said that his is not a political but rather a deeply religious activity. Meanwhile, as a precaution, the Costa Rican Government reinforced police protection outside the Nicaraguan Embassy in San Jose.

EL SALVADOR

VARGAS DISCUSSES BLANDON REMARKS ON UNIVERSITY

PA042300 San Salvador Radio Cadena YSKL in Spanish 1730 GMT 4 Aug 86

[Text] We visited San Francisco Gotera in Morazan Department this past weekend and interviewed Colonel Mauricico Ernesto Vargas. We asked him about General Adolfo Blandon's remarks to a San Salvador newspaper to the effect that the university in San Salvador can become a refuge for terrorists again. Col Vargas said the following:

[Begin recording] I would like Gen Blandon's remarks to be interpreted objectively. He has not said that the university is communist or terrorist. Infiltration is the general strategy used with the masses. Infiltration occurs not only at the university but in the Armed Forces as well. Any possible controls should be put into operation. I do not think Gen Blandon meant that the university is defenseless. If order is not established, confusion and anarchy can prevail in the university. I have said a number of times that organizations, institutions, and people can be used. As I see it, Gen Blandon said that infiltration has occurred and continues to occur in the university, and that a general mass strategy is used there. [end recording]

Later, we moved on to a refugee camp in San Francisco Gotera. A resident told us that the Salvadoran Red Cross had departed. He asked us to appeal to this service institution to visit the reguee camps at San Francisco Gotera, which suffer many hardships.

COL VARGAS ON MORAZAN SITUATION, DIALOGUE

PA042237 San Salvador EL MUNDO in Spanish 2 Aug 86 p 1

[Excerpt] Colonel Mauricio Vargas, chief of Military Detachment No 4, which is headquartered at Morazan, today confirmed that the FMLN attacked Army positions at San Felipe, in Sociedad jurisdiction, yesterday.

The rebels killed three and wounded one member of the Cacahuatique Battalion. He also said that Army members killed two guerrillas and wounded several others.

In the latest transmission of the clandestine station Radio Venceremos, the guerrillas reported that they had killed 13 soldiers and wounded 6 and seized a .50-cal machine gun, 3 rifles, 8 grenades, knapsacks, and other military supplies.

Col Vargas said that the FMLN reports are Marxist propaganda. He also said that the "Heroes of Joateca" Operation has been successful and must be measured, not by the number of guerrillas killed, but by the benefits that this operation provides for the residents by protecting them properly so that they can develop their productive activities in peace. He said that the Army controls 26 Morazan municipalities, while the extremists temporarily control the rest.

Col Vargas said that as a result of this operation, peace and security are in the process of being achieved in Morazan and that the cultivation of the land and economic activities have increased during the past few weeks. Toward this purpose, problems related to cattle raising are being solved, among other things.

He denied that the FMLN has been successful, militarily speaking, and said that the FMLN's only ability is to terrorize the people indiscriminantly.

Regarding dialogue, Col Vargas said: "If we must speak of dialogue, we must say that for two people to understand each other as reasonable beings they must talk to each other. As a result of this, we will hold a dialogue. Then we only have to consider with whom we will talk. We must be very careful about the nature of our discussions because the FMLN is Marxist-Leninist oriented. They have acknowledged this themselves. This is their nature and not our own description of them. Shafik Handal ahs admitted to his communist ideology." Col Vargas also said: When two ideas oppose each other, they cancel each other out. We uphold democracy, while they uphold Marxism. This is why I think very little can be achieved by talking to these people. Political willingness must be demonstrated and a true path must be followed until every possible effort has been made. [passage omitted]

BLANDON SAYS ARMS FLOW FROM NICARAGUA CHECKED

PA050206 San Salvador EL DIARIO DE HOY in Spanish 3 Aug 86 pp 1, 45

[Text] General Adolfo Blandon, chairman of Salvadoran Armed Forces Joint Chiefs of Staff, has said that the Armed Forces have succeeded in substantially checking the flow of arms from Nicaragua for terrorist groups. He made these remarks during a breakfast briefing at EL DIARIO DE HOY on Friday morning.

Gen Blandon was accompanied by Colonels Rene Emilio Ponce and Carlos Araujo, both of the staff. Gen Blandon's briefing was attended by the newspaper's editors and executives. He said that the flow of arms for subversives has been controlled but not eliminated. He added that the subversives initially used aircraft. This system, however, was abandoned when the Costa Rican mercenary Julio Romero Talavera was captured after he crash landed in La Paz Department. Later, the subversives used boats that sailed through the Gulf of Fonseca. This has also been checked thanks to the U.S. Government cooperation. In view of this situation, Nicaragua sends weapons via Honduras, in trailers and other vehicles, but on a smaller scale.

Subversives also use the refugee camps in Honduran territory near the border with El Salvador, particularly Colomoncagua and Mesa Grande, for this purpose.

Blandon also said that the Armed Forces can defeat the terrorists, yet he added that the current war is more than military in nature. For this reason, the "United To Rebuild" plan has been put into operation. In this plan, the participation of all the productive sectors is very important. He pointed out that in view of the subversives' inability to confront the Army, the former have declared war on the people, and this is why they bring down pylons and destroy bridges, etc.

Blandon said further that this is why the unity of all Salvadorans, regardless of their political leanings, is important. He asserted that not even the world's largest armies can win a war with a stomachache. He recalled the cases of the shah of Iran and of Vietnam.

As for dialogue, Col Blandon said that the Armed Forces will never accept the integration of the terrorist groups into this institution. In addition, he said that military commanders have carte blanche to do what must be done at the front. As for the subversives' actions in the western part of the country, where the ERP [People's Revolutionary Army] has deployed some units, Blandon said it is more difficult for the terrorists to penetrate this area because the priests have not poisoned the people's minds there like they have in Guazapa and surrounding areas.

COPREFA NOTES ARMED FORCES PROMOTIONS, TRANSFERS

PA042259 San Salvador LA PRENSA GRAFICA in Spanish 2 Aug 86 pp 5, 29

[Text] Coprefa announced yesterday that Colonel Reinaldo Golcher has been promoted to the rank of general, while Colonel Gustavo Atilio Hernandez has been replaced as chief of the General Traffic Department. According to a Coprefa spokesman, Col Golcher, director of the Treasury Police, has been promoted according to the respective regulations. Although the orders from the High Command were announced this afternoon, it was learned last night from official sources that his promotion was the only one confirmed from the various promotions that have been rumored since early this week.

The other changes included in the orders are: Lieutenant Colonel Jose David Batres, promoted to colonel; Colonel Carlos Alfredo Rivas, appointed commander of the Armed Forces Military Training Center; Colonel Galileo Conde Vasquez, appointed commander of the Air Force base at El Salvador International Airport.

Lieutenant Colonel Francisco Elena Fuentes has been appointed chief of psychological operations, Lieutenant Colonel Joaquin Arnoldo Cerna Flores has been appointed commander of the Armed Forces Transmissions Training Center, replacing Colonel Ciro Roque Lopez, who has been named commander of Military Detachment No 3, with headquarters in La Union.

Lieutenant Colonel Guillermo Alfredo Benavides Moreno has been transferred to the Scholarship Corps [Cuerpo de Becarios] of the Joint Chiefs of Staff. Lieutenant Colonel Julio Cesar Benavides has been appointed chief of the General Traffic Department to replace Col Gustavo Atilio Hernandez.

OPPOSITION PARTIES JOIN PDC IN SEARCH FOR PEACE

PA050327 Hamburg DPA in Spanish 2036 GMT 4 Aug 86

[Text] San Salvador, 4 Aug (DPA) -- Political party leaders announced today at a hotel in San Salvador that the most right-wing sector in El Salvador has joined the ruling Christian Democratic Party [PDC] in the search for a national peace plan.

The announcement was made by party delegates, to wit: Roberto D'Aubuisson, on behalf of the Nationalist Republican Alliance [ARENA]; Julio Rey Prendes, Fidel Chavez Mena, and Roberto Viera on behalf of the PDC; and Ernesto Alwood on behalf of Democratic Action Party.

"This is our first meeting, and its purpose is to work out a national peace plan that may be presented to the government or to the rebels," D'Aubuisson told reporters. He added that the aim is to strengthen the position at the dialogue with the guerrillas so the government will not be taken as an entity representing the opinion of the entire nation. According to D'Aubuisson, there are disagreements regarding some aspects of the government's approach to the process of dialogue, and this may cause problems in the future if they are settled before the third round of talks. [sentence as received]

Rey Prendes, who holds the post of culture and communications minister in the administration, said: "This is the realization of an idea that had been developing for some time. We will try to look for rallying points, not differences."

The National Conciliation Party, PCN, which is one of the largest parties along with ARENA and the PDC, was not represented at the noon meeting. However, it was explained that its participation could not be coordinated because a sector of the country is on holiday due to the celebration of El Salvador's national patron saint festivities, but that the PCN agrees with these meetings.

The party delegates said that even though the purpose of this alliance is not to draw up a peace plan before the third dialogue, they will meet today with President Jose Napoleon Duarte to learn about the peace counterproposal the rebels delivered to San Salvador Archbishop Arturo Rivera y Damas.

President Duarte met with the archbishop on Sunday to learn about this proposal and certain aspects regarding a possible exchange of political prisoners for Colonel Omar Napoleon Avalos, whom the guerrillas have held captive since 26 October 1985.

The party leaders said today that the fact that no union leaders were invited to the meeting does not mean that they are being ignored. They said that, in principle, they thought of holding this meeting at the level of legally registered political parties.

This is the second time that an alliance has been formed in the country by radical and moderate conservative groups. The first time was in 1969, when the National Union, including leftist forces, was formed in the wake of the "100-hour war with Honduras."

Venceremos Comments on 'Pact'

PA050301 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 5 Aug 86

[Text] Today at noon, the detestable faces of Roberto D'Aubuisson and Julio Adolfo Rey Prendes were seen on television.

They were announcing to the country that a new pact between the PDC and ARENA had been made: In other words, a pact between Duarte's followers and the death squads.

Who will have any doubts from now on? None other than Rey Prendes himself, representing the PDC, and Maj Roberto D'Aubuisson, representing ARENA, were seen on television announcing the new pact. In this manner, the puppet and (?buffoon) were shown holding hands.

Has Roberto D'Aubuisson forgotten the many times that he has called the PDC communists, terrorists, etc? Has Rey Prendes forgotten the many times that the PDC has accused Roberto D'Aubuisson of being Msgr Romero's assassin and leader of the death squads?

Who will have any doubts from now on? They are two of a kind. They are part of the same plan and project. Jose Napoleon Duarte and the PDC's isolation and exhaustion is such that they had to look to allies for reinforce merit. They know that they are much too weak to confront the ideas and proposals offered by the FMLN and the FDR.

The puppets and [words indistinct] formed an alliance planned by the Yankee embassy. This was done to prevent the participation of other national sectors in the dialogue process. They have said that they will present a peace proposal. However, the trade unions, associations, and professionals, or anyone else, may not participate. Only the puppets and the assassins -- the eternal enemies of the people -- will be allowed to participate.

Some time ago, the Yankees spent millions of dollars in propaganda to present Duarte as a person who had nothing to do with others those that have been described as extremists. Today the North Americans publicly and openly united Duarte with the representatives of the criminals.

Who will have any doubts from now on? Like our people say, they are birds of a feather. What will the rank and file of the PDC have to say about this? Aside from selling their souls to the Yankees and the Army gorillas, they have now decided to make a pact with the man they have accused of being Msgr Romero's assassin.

What will ARENA's ultrarightist members say? They hate the (?fish) and [word indistinct] communists. Who will have any doubts from now on? In this manner, Rey Prendes has unashameldly called D'Aubuisson a friend. This is proof of (?pragmatism) and opportunism.

In March 1980, Rey Prendes himself said: D'Aubuisson goes or we go. Today, they have shown themselves in public as if they were reaching an agreement among parties. However, the U.S. plan; and they are also enemies of the people. Using their own words: the extremists, [word indistinct] and antipopular [word indistinct] have united once again.

FMLN REPORTS 407 ARMY CASUALTIES IN JULY

PA050259 Paris AFP in Spanish 2144 GMT 4 Aug 86

[Text] San Jose, 4 Aug (AFP) -- The FMLN reported today in San Jose that the Salvadoran guerrillas inflicted 407 casualties on the Army during the month of July.

In a communique, the FMLN also reported that 57 of the Army casualties occurred during ambushes by rebels, while 249 were inflicted with rifle fire. According to the report, the guerrillas' "most important" actions in July include one in Usulutan in the country's southeast against an Atonal battalion company. In addition, an energy substation and a train in La Libertad in the country's southwest and another train in San Salvador department were sabotaged.

In addition, the FMLN today denounced "a new scorched earth operation" by the Salvadoran Army in Cabanas and Cuscatlan Departments in the country's northern central sector between 13 and 25 July. According to the rebel source, several infantry battalions, supported by Armed Forces planes and helicopters, participated in the operation. The report said: "Troops and aircraft of the High Command destroyed homes and crops and persecuted and detained peasants." The report also said that 13 people have been detained. The report appealed to humanitarian organizations to denounce "this inhuman act against civilians."

FMLN ANALYZES PRESIDENT AZCONA'S VISIT

PA022352 (Clandestine) Radio Farabundo Marti in Spanish to El Salvador 2300 GMT 1 Aug 86

[Station commentary]

[Text] Why did Azcona come to El Salvador? As we said yesterday, Azcona came following orders from his master Ronald Reagan, who wants to implement his warmongering strategy in Central America more effectively, seeking the military defeat of the FMLN and the ouster of the Sandinist government.

What did Azcona and Duarte talk about? In between sumptuous cocktail parties, banquets, and merrymaking, this pair of puppets talked about political and military coordination to defeat the FMLN, about cooperation with the CIA mercenaries to continue attacking Nicaragua, and about the forceful repatriation of thousands of Salvadorans who have sought refuge in Honduras. They also discussed ways to make the Contadora Group's peace efforts fail, and the need to revive the putrefied corpse of the Central American Defense Council, Condeca, as a useful instrument for imperialism's counterinsurgency war in Central America. Azcona and Duarte hypocritically talked about national sovereignty, about the peoples' right to self-determination, and about peace, human rights, and democracy. They did not discuss these topics [words indistinct] their criminal machinations against Nicaragua and the FMLN. In conclusion, the two puppets talked and agreed on how they can better serve their imperialist masters.

What does Azcona's visit mean for our peoples? For El Salvador and Honduras, the meeting between these two [word indistinct] servants of Reagan will mean more repression, more violations of human rights, more military operations in the border areas, the eviction of more peasants, a further prolongation of the war, and more suffering for our peoples.

How was the atmosphere during Azcona's visit? No one could hide the hypocrisy that prevailed during the entire encounter. Insincere laughter, forced handshakes and hugs, unexplainable decorations, and cheap praise. It seemed like a show in the eyes of a stranger, but for our people it was clear that behind all that farce were the U.S. Government's warmongering plans.

What conclusion can we reach from this visit? Azcona Hoyo's forced visit to El Salvador is a clear symptom of the quick defeat that the U.S. plans in the region have suffered. It also shows the total weakness of Duarte's regime and its (?imminent) and definitive defeat.

It is also symptomatic of the (?process) and strategic defeat that the CIA mercenaries who attack Nicaragua are experiencing. Azcona came because Duarte needs his [word indistinct], because the mercenaries and former Somozist guards need moral and material support to survive, and because imperialism's plans in the region demand that kind of collaboration from all puppet governments.

FMLN DERAILS SAN MIGUEL-USULUTAN TRAIN

PA030424 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 2 Aug 86

[Text] While the gorillas of the High Command, the gorillas of the garrisons, and the make-believe elite battalions talk garbage, the FMLN carries out guerrilla victories. At 0730 on 1 August, an FMLN unit placed explosives on the railroad tracks in the area of San Carlos (de la Napo), San Miguel Jurisdiction. The train was coming from San Miguel to Usulutan.

The train derailed as a result of the explosion. The locomotive and several cars were badly damaged. Our companeros withdrew with no problems. The High Command and its puppet Army are unable to halt the sabotage actions that our guerrilla fighters are courageously carrying out. There have been trains derailed in the San Salvador area and in the eastern area. Electicity sabotage is frequent throughout the national territory. How about the High Command? They are just fine, thank you.

GUATEMALA

DEFENSE MINISTER ON EFFECTS OF U.S. CONTRA AID

PA050359 Guatemala City Radio-Television Guatemala in Spanish 0400 GMT 4 Aug 86

[Text] Defense Minister Jaime Hernandez Mendez said yesterday that aid granted by the United States to Nicaraguan rebel groups will have repercussions on Central American subversive groups in general.

[Begin recording] [Hernandez] There is no doubt about that. The current situation in Nicaragua [words indistinct] target of the subversive situation in Central America and makes it want to extend its influence to Central American countries. We also see a certain influence on their part, particularly the Republic of Guatemala, as they are now receiving some logistical aid from neighboring countries.

[Reporter] There have been several armed clashes with the guerrillas in the past few weeks. Could you comment on this?

[Hernandez] That is the result of our search for the various operational commandos that are active here in the area (?under my jurisdiction). There were some [word indistinct] clashes, because that is what the soldiers fighting the subversives need: some luck to find the subversion and then prolonged engagement to physically eliminate the subversive groups affecting our country.

[Reporter] Are the guerrillas continuing to provoke the Guatemalan Army?

[Hernandez] Yes, the subversives have made some attempts against a military detachment, specifically in northern Guatemala. Detachment members are on alert.

We have maintained a peaceful attitude toward this kind of activity, because we believe that they are provoking us to involve us in actions against the population, which we are avoiding at all costs. [end recording]

HERNANDEZ SAYS U.S., FRANCE TO GIVE AID

PA050335 Panama City ACAN in Spanish 2310 GMT 4 Aug 86

[Text] Guatemala City, 4 Aug (ACAN-EFE) -- Defense Minister General Jaime Hernandez Mendez said today: "Guatemala will get $35 million in military aid from the United States and France." The chief of the Guatemalan Army said that "France may grant $20 million in aid for repairs and military equipment" according to the offer made recently and in private by a French Government adviser, whom he did not identify.

Gen Hernandez Mendez told the press that the Defense Ministry "will make the necessary contacts with the French Government to conclude the negotiations for this assistance." The Army chief also said that the Christian Democratic government of President Vinicio Cerezo "is awaiting $15 million in military aid from the United States." According to Gen Hernandez Mendez, this money will be spent by the Guatemalan Army "to purchase spare parts for the helicopters used to help civilians."

He also said: "We will purchase vehicles and bulldozing equipment to build roads in the country's interior. We will not purchase armament." The defense minister feels that, with the aid from the United States and France, the military program for spare parts for helicopters can be accomplished. He asserted: "Not a single cent of the aid from the two countries will be used to purchase lethal weapons."

The United States suspended military aid to Guatemala in 1977 "due to human rights violations." This aid, however, has been resumed since Christian Democrat President Cerezo assumed office. According to the defense minister, this is the "first time that France has offered military aid to the Guatemalan Army."

HONDURAS

FOREIGN MINISTER DISCUSSES U.S. TIES, ICJ

PA030215 Tegucigalpa Voz de Honduras Network in Spanish 1812 GMT 1 Aug 86

[News conference given by Foreign Minister Carlos Lopez Contreras after he and President Jose Azcona Hoyo met with Elliott Abrams, U.S. assistant secretary of state for inter-American affairs; date and place not given -- recorded]

[Text] [Question indistinct]

[Lopex Contreras] In the economic aspect, we discussed the possibility of increasing the U.S. Government economic assistance to strengthen our country's economic capabilities and our security.

[Question indistinct]

[Lopez Contreras] This has not been decided yet; it is being studied. It is closely associated with the resolution recently approved by the U.S. Congress.

The House of Representatives approved it, but the Senate has not approved it yet [words indistinct] $300 million for helping the Central American democratic countries.

[Question indistinct]

[Lopez Contreras] No, not the terrorism problems. We have not talked about terrorism.

[Question indistinct]

[Lopez Contreras] Well, the possibility of increasing U.S. assistance for continuing the training and [words indistinct] of the Armed Forces.

[Question indistinct]

[Lopez Contreras] Honduras is not participating in an arms race. You know perfectly well that the Honduran Armed Forces do not even have 20,000 soldiers. However, for both our internal security as well as for protecting our borders -- which are very long, as we border three countries -- we need to have the Armed Forces.

[Question indistinct]

[Lopez Contreras] We have always done so.

[Reporter] Does this mean that Honduras will (?request) assistance from the International Court of Justice [ICJ] in the suit filed by Nicaragua? Could this not favor, in a certain way, El Salvador, in view of the case we have pending with El Salvador at The Hague?

[Lopez Contreras] I have already explained that, but I will gladly explain it again. In the first place, Honduras is making use of a right granted by the ICJ statute and has therefore modified its (?stand) through a resolution approved in May by the Congress of the Republic. This is a modification of the jurisdiction of the ICJ concerning Honduras. That is an affirmative action, that is, a unilateral action by Honduras allowed by international law. Now, concerning the suit filed by the Nicaraguan Government against Honduras, we -- the government, the Foreign Ministry -- have not voiced a definite stand yet. In other words, we have not given any answer. We have not received the official documents from the ICJ. First we have to study them carefully, and then we will issue a pronouncement once we have adopted a stand that is in the best interests of Honduras. Therefore, it is much too early to say that Honduras has (?disavowed) the jurisdiction of the ICJ. We have not done that, we have merely (?challenged) the competence of the court. We will eventually issue a pronouncement on our stand. One thing is the compulsory jurisdiction of the court, and that is what we have modified. Another thing is the voluntary jurisdiction of the court. In other words, if we have modified the compulsory jurisdiction, this does not necessarily mean that we will not appear in court, answer charges and participate in a trial. That is not the direct consequence. We are going to study that, and we are going to make the decision that best suits the interests of Honduras.

[Question indistinct]

[Lopez Contreras] [Words indistinct] modifications. That is one part, there are many other aspects that we have modified.

[Question indistinct]

[Lopez Contreras] That is one of them, and the others are equally important.

[Question indistinct]

[Lopez Contreras] Another basic reason for modifying the jurisdiction of the court is closely associated with the advisability of Honduras participating in those trials having to do with border issues [words indistinct]. Right now, we have opened the possibility of participating in a hearing with the Republic of El Salvador for solving our border problem, as you have heard [words indistinct]. However, in no way does this modification have any influence on the competence of the court to solve the Honduran-Salvadoran problem. The competence of the court is specifically for this case in enforcing the 1980 Peace Treaty.

[Question indistinct]

[Lopez Contreras] We have been concerned, and we do not want Honduran territory to be used as a platform for [words indistinct] forceful measures against neighboring countries and [words indistinct] a rebellion movement against the Nicaraguan government should operate in their territory and not in Honduran territory.

[Question indistinct]

[Lopez Contreras] Look, here in Honduras they are not operating with the authorization of the Government of Honduras. Thus, I cannot tell you what they said, that was a [words indistinct].

[Reporter] Is this the first time that Honduras has made such a statement to the gringos?

[Lopez Contreras] What statement?

[Reporter] The one to the effect that Honduras will not serve as a platform for...

[Lopez Contreras, interrupting] No, you heard it being officially said by the Honduran Government in international meetings, as well as beofre the countries of the area.

[Reporter] Mr Foreign Minister, what could be done if the contras prefer to continue with their armed struggle form [words indistinct] to Tegucigalpa?

[Lopez Contreras] This is a public order issue. It is up to the public order authorities to protect the people and the cities.

[Reporter] When will the Foreign Ministry issue a pronouncement to the Honduran people?

[Lopez Contreras] As soon as it is ready and the court is notified.

[Reporter] Couldn't Honduras also sue Nicaragua at The Hague, inasmuch as that conflict has always caused us much damage?

[Lopez Contreras] Perfectly well.

[Reporter] Has the Foreign Ministry or the government thought about that?

[Lopez Contreras] That is just a possibility. I do not want to make any advance statements, I repeat, because this is being studied. However, there is a wide range of possibilities.

[Reporter] Is the problem with Nicaragua as important as the problem with El Salvador, [words indistinct] the Hondurans?

[Lopez] No, the problem with El Salvador is as important as the [words indistinct] the Honduran foreign policy, and has been for many years. The government wants to solve the border problem once and for all, and we have found that the Salvadoran Government is also very much interested in this.

[Reporter] [Words indistinct] the Contadora Group?

[Lopez Contreras] It depends on how the peace negotiations go.

JOINT COMMISSION WITH EL SALVADOR MARKS BORDER

PA031428 Tegucigalpa EL HERALDO in Spanish 1 Aug 86 p 3

[Text] Honduran and Salvadoran border commissions have virtually concluded measuring Border Section 7, in the Goascoran region, which covers a 73-km strip. This was announced yesterday by the office of the foreign relations secretary. The two commissions worked in that region last week and established a definite border between the two states.

According to the announcement, officials and technicians in charge of establishing the border will begin working in Section 2 in the next few days. That section is 10 km long and is located in the Zapotal-Cayahuanea area. The General Peace Treaty signed in October 1980 divided 66 percent of the border into 7 sections. The border limits in each of these sections were to be marked while the two countries discussed the boundary for the remainder of the border area, but it was not possible to establish any limits then. According to reports, the delegations from the two countries will be going to the border area to verify markings of Border Section 7.

It has been reported that the work carried out by the former Mixed Commission on Limits has been acknowledged. That commission marked border areas during the 5 years it functioned. Border markings in the areas that have been mentioned have been possible mainly because the Salvadoran guerrillas do not operate in those sectors, a fact that facilitates the work of the technicians. Border marking in other areas, especially in the country's west, is a serious problem, because nearby Salvadoran areas are operations centers of the Salvadoran rebels.

CONTENTS OF TREATY WITH COLOMBIA DISCLOSED

PA030345 Panama City ACAN in Spanish 0130 GMT 3 Aug 86

[Text] Tegucigalpa, 2 Aug (ACAN-EFE) -- Honduran Foreign Minister Carlos Lopez Contreras and Colombian Foreign Minister Augusto Ramirez Ocampo today signed a treaty delimiting their maritime borders on the Colombian island of San Andres, it was officially reported here.

The text of the treaty, which was dislosed in Tegucigalpa tonight, states: "The maritime border between the Republic of Honduras and the Republic of Colombia is determined by the following coordinates:

"Point 1: Latitude 14 degrees 59 minutes 8 seconds north; longitude 82 degrees west

"Point 2: Latitude 14 degrees 59 minutes 8 seconds north; longitude 79 degrees 56 minutes west.

"Point 3: Latitude 15 degrees 30 minutes 10 seconds north; longitude 79 degrees 56 minutes west

"Point 4: Latitude 15 degrees 46 minutes north; longitude 80 degrees 3 minutes 55 seconds west

"Point 5: Latitude 15 degrees 58 minutes 40 seconds north; longitude 79 degrees 56 minutes 40 seconds west.

"The maritime border between points 4 and 5 will be determined by the arc of a circle, the radius of which is measured from a point located in coordinates 15 degrees 47 minutes 50 seconds north and 79 degrees 51 minutes 20 seconds west.

"Point 6: Latitude 16 degrees 4 minutes 15 seconds north and longitude 79 degrees 50 minutes 32 seconds west.

"From the last point mentioned, the maritime border will continue east, passing through parallel 16 degrees 4 minutes 15 seconds north, up to the point where the border must be delimited with a third state.

"The maritime border agreed upon is outlined, for illustrative purposes only, in Nautical Map No 28000, published by the 'Defense Mapping Agency Hydrographic/ Topographic Center, Washington, D.C., [name and address given in English] 74th edition of 28 February 1985.' The map, which was signed by the plenipotentiaries, is annexed to this treaty with the uderstanding that in every case, its specifications will prevail.

"The delimitation announced in the preceding article will not affect the demarcation of maritime borders established or to be established in the future between the contractors and third states, as long as that demarcation does not affect the jurisdiction recognized as belonging to the other contracting party through this treaty.

"The beds or deposits of hydrocarbons or natural gas located on either side of the established line will be exploited in such a way that the distribution of the volume of resources obtained from that bed or deposit will be proportional to the volume of found on each side of the line, respectively.

"Any difference between the contracting parties over the interpretation of this treaty will be resolved by seeking a peaceful solution based on international law.

"This treaty will be subject to approval following the constitutional requirements in each of the signatory countries and will become effective upon the exchange of the respective instruments of ratification."

The treaty was signed in duplicate.

BOMB DAMAGES RADIO NEWS DIRECTOR'S HOUSE

PA041442 Tegucigalpa Cadena Audio Video in Spanish 1130 GMT 4 Aug 86

[Text] A powerful bomb exploded at the house of Rodrigo Wong Arevalo, director of the newscasts of Radio America. The explosion took place at approximately 0400 in the garage at his residence. It destroyed Wong Arevalo's car, broke windows, and damaged part of the house.

Fortunately, the bedrooms are far from the garage and there were no casualties.

At this time several patrol cars are at Wong Arevalo's residence to make the appropriate investigations.

FDN, UNO Condemn Attack

PA050305 Panama City ACAN in Spanish 0027 GMT 5 Aug 86

[Text] Tegucigalpa, 4 Aug (ACAN-EFE) -- The rebel organizations FDN and Nicaraguan Opposition Unity (UNO), condemned the terrorist attack here today on reporter Rodrigo Wong Arevalo, deputy director of Tegucigalpa's Radio America.

"We strongly condemn the wave of violence, terrorism, and subversion that the Sandino-communist tyranny has unleashed against the sister nations of Central America, especially against the Republic of Honduras." This statement is included in a communique the rebels released today.

According to the rebels, this morning's attack on Wong Arevalo and the attack carried out on 24 July in a residential area in Tegucigalpa "are nothing more than links in a chain of violence implemented in the region by terror international, which has its general headquarters for Central America in Managua."

"Just as the Central American dignitaries and analysts have said, the Nicaraguan communist regime is the destabilizing factor in Central America, and there will be no peace in this region while that regime continues to exist," the communique adds.

According to the "counterrevolutionary" directorate, the Sandinist government has undertaken a campaign to discredit "the freedom fighters."

"Our struggle," the communique states, " is precisely against the terrorists who, like the nine Marxist commanders, from very beginning were known for their attacking banks, planting bombs in homes and airports, creating innocent victims, and violating the basic rules of international law."

FDN-UNO reiterated that their struggle is "against the nine terrorists of Managua who today misgovern our homeland."

Wong Arevalo and his family were the targets of a terrorist attack this morning at 0400 when a bomg, placed under the seat of his car, exploded.

The explosion did not cause casualties because at that hour the Wong Arevalo family was asleep. However, it did destroy the car and the entrance of the house located in La Primavera neighborhood, in the southeastern sector of Tegucigalpa.

NICARAGUA

COSTA RICAN PAPER INTERVIEWS DANIEL ORTEGA

PA012153 San Jose RUMBO in Spanish 25-31 Jul 86 pp 12, 15

["Exculsive" interview with President Daniel Ortega by Ignacio Santos Pasamontes at the Government House in Managua on 17 July]

[Text] [Santos] A few days ago you said the Governments of Costa Rica, Honduras, and El Salvador should "act with more seriousness," that they are "accomplices" in the U.S. policy toward Central America, and that they "were playing with fire." What do you mean when you say they have acted with "little seriousness?"

[Ortega] They have acted with little seriousness and with little responsibility not only regarding Nicaragua but also regarding their own peoples, because the first responsibility those presidents have is to their own peoples. During the Esquipulas meeting I felt that all the leaders of the region shared an authentic concern about the Central American situation; however, at the same time one immediately noted the lack of willingness on the part of some rulers to resolve the crisis.

[Santos] To what do you attribute that lack of willingness?

[Ortega] To U.S. pressure. It was left very clear that U.S. pressure is a decisive element among those governments. I told them that to achieve peace in Central America we must necessarily pass through a time of strong disagreement with U.S. policy but that this can be overcome in the medium term, while a war would have an insurmountable long-term cost. Therefore, it is better to pay the price of a momentary difference with U.S. policy to achieve peace than to accept the U.S. Government's constant blackmail about withdrawing financial support from Governments such as Costa Rica, Honduras, and El Salvador. That will only lead to a confrontation among Central American countries, to U.S. military intervention, and to total war in Central America.

[Santos] In the case of the Costa Rican Government, why do you accuse it of acting that way when just a few months ago President Oscar Arias Sanchez said in the United States that he was against aid to the Nicaraguan contras?

[Ortega] I think President Arias was following a very consistent position when he made those statements, but later all that was placed in doubt when he tried to draw up a foreign policy based on the type of domestic regime Nicaragua has. We differentiate between the attitude of the Costa Rican Government, the Monge administration, and the Arias administration and the attitude of other Governments such as those of Honduras and El Salvador. President Arias' attitude of expressing opposition to the $100 million in aid is very important...

[Santos] But on the other hand you [and President Arias] had a confrontation in Esquipulas.

[Ortega] Well, one can engage in an argument about the concept of democracy. However, I want to appeal to the dignity and firmness of the Costa Rican people and President Arias so we can overcome this crisis in the region. I am not asking President Arias to sympathize with the Nicaraguan regime. We have our points of view. Just as he can criticize the Nicaraguan Government, I can criticize the Costa Rican regime. However, the problem is that there is a foreign power called the United States that is affecting the stability of Central America and that pressures the governments of the region so they become instruments to deepen the crisis.

The way things are going, a Central American war will break out and, as I have said, it will involve all of us; no one will be saved from it.

[Santos] In Costa Rica, there is an atmosphere that is hostile to Sandinism. There is even the idea that a regime like that in Nicaraguan can affect the Costa Rican democracy. To what do you attribute that feeling among the Costa Rican people?

[Ortega] To a fierce anti-Nicaraguan campaign in Costa Rica. Through the CIA the United States has invested many resources in Costa Rica and has created feelings against the Sandinist revolution.

[Santos] But Commander, how do you respond to that feeling among the Costa Rican public?

[Ortega] In the face of such campaigns I have always replied that the best thing is to visit Nicaragua. Nicaragua does not close its doors to anyone. Whoever wants to can enter or leave Nicaragua. This is not a closed society. In the face of the slanderous campaigns against Nicaragua, the best thing one can do is to invite the Costa Ricans to come see the reality of the Nicaraguan revolution.

[Santos] After the approval of the $100 million, the government closed the newspaper LA PRENSA for an indefinite period and expelled two priests. In addition, political sectors of the opposition reported that their actions were greatly limited in Nicaragua. What is the meaning of these measures taken by the Sandinist government?

[Ortega] These are normal measures in view of the war that the country is facing. These are defensive measures. We do not oppose political pluralism. We do not oppose bishops' getting involved in politics and making speeches against the revolution. This does not worry us because it is a right earned by Nicaraguans. However, when the owners of LA PRENSA, for example, and certain members of the church go beyond the institutional framework to get involved in politics and become allies of the United States, which is making war against Nicaragua, then that is tantamount to an act of treason. In the United States, for example, the U.S. Government just sentenced a spy to two life-prison terms plus 50 years. In Nicaragua, the maximum sentence is 30 years, and these gentlemen who are defending the $100 million in Washington and who were brought there by the CIA deserve 30 years in prison. Therefore, we chose the lesser of the two sanctions.

[Santos] In the case of LA PRENSA, how did the censorship system fail?

[Ortega] The sanction was against the LA PRENSA owners. The newspaper is just a means of communication that is put out by the reporters, but the policy is established by the owners. The owners of that newspaper are the ones who went to the United States to defend the mercenary forces and Reagan's policy against Nicaragua. What else could we do with these people who were violating the law and betraying the country? We would be justified in sending them to jail for 30 years, but instead we opted for a less costly sanction and perhaps less painful, and thus we suspended the newspaper's circulation for an indefinite period. Taking into account that it is a newspaper financed by the CIA, we are not afraid of it. Within the framework of freedom of expression in this country, we are not afraid of any statement that the CIA may want to make through a newspaper it finances. If we did not have a war and an aggression under way here, LA PRENSA could continue to operate without any problem, even without censorship, regardless of the fact that it is financed by the CIA. However, in a war situation, this cannot be tolerated.

[Santos] In this war situation you mention, could Sandinism impose stronger sanctions against those who endanger the revolution? For example, could execution by a firing squad be implemented in Nicaragua?

[Ortega] No. We have signed international agreements. We did not establish the death penalty when the revolution succeeded, and we are not going to establish it now. It is not within our plans to establish a death penalty.

[Santos] Opponents of Sandinism in Nicaragua have told me about the great limitations under which they live in the country. What is your opinion?

[Ortega] We are interested in the political opposition, and we promote that opposition. Despite the state of emergency, the political groups that are members of the Constituent Assembly, as well as those who are not, continue to meet and maintain their offices. Their offices have not been seized. They hold meetings, issue communiques, and hold news conferences. It is true that they have certain restrictions, but is the Nicaraguan Government responsible for this? If those political parties want us to lift these restrictions, they should act more decidedly to put an end to the U.S. aggression so that we can have normalcy again. Normalcy and stability are needed for democracy to work. If efforts were made to destabilize Costa Rica thorugh violent actions, that country would adopt several measures that would affect their people's free movement, and freedom of the press would also be affected. This has occurred in the United States. It happened during World War II. I have been watching U.S. television recently, and they have been talking about the fact that there is a guilty feeling among the U.S. people because of the actions that were carried out against people of Japanese descent back then.

[Santos] Sectors that oppose Sandinism are saying that with the draft constitution that is being discussed, an effort is being made to institutionalize Sandinism and close every possibility for political pluralism to exist. Among other aspects, they mentioned the control on the economy and the centralization of power in the hands of the president. What is your opinion?

[Ortega] All the political parties have the right to voice their opinions. Each political party wants a constitution, but in its own way. This is very natural and human. In addition, it is within the framework of the free play of political pluralism in Nicaragua. This is one more expression of political pluralism because if it did not exist, they would not be talking that way. A similar polemic would appear in the process to draft a constitution in any other country. I would say that it is a necessary polemic that increases when a situation of political tension is under way...

[Santos] But the polemic you mentioned became nonexistent when the political parties that were participating in the process stopped participating.

[Ortega] Well, not all of them because some of them are still participating. In addition, some come and go. This is part of the parliamentary system.

[Santos] In recent months, Sandinism has been strongly criticized by organizations that defend human rights such as Amnesty International.

[Ortega] That is true...

[Santos] And the International Human Rights League.

[Ortega] That is true. However, on the topic of human rights, one must always refer to those who have an attitude that could be described as impartial. The opposition parties can accuse us of human rights violations, and the government will defend itself. The U.S. Government can accuse us of the same, and the government will defend itself, but the ruling of the organizations favors Nicaragua regarding the systematic violations of human rights. They say that there is no systematic violation of these rights in Nicaragua. It is true that they mentioned certain violations but only as isolated actions, and they also mentioned the efforts made by the government to solve this problem. However, these reports also point to human rights violations in other countries in the area, in Costa Rica, Honduras, El Salvador, and Guatemala. I would say that Costa Rica and Nicaragua were the countries least affected by these reports.

[Santos] But several human rights violations were mentioned in Amnesty International's most recent report...

[Ortega] Yes...

[Santos] In fact, the Human Rights International League recently reported in New York that there were between 3,500 and 4,000 political prisoners in Nicaragua...

[Ortega] That is completely false. It is untrue that there are 3,500 political prisoners here, and that can be verified. There are not 3,500 political prisoners. In other words, there are 3,500 prisoners here, but we would have to see how many of them were Somozist guardsmen, how many of them have been under arrest since 19 July [1979], how many of them were taken prisoner for involvement in armed counterrevolutionary activities, and how many thousands of prisoners who have been in jail have been favored by the yearly pardon that the government is granting. We recently pardoned more than 400 prisoners, which included a man who was a National Guard sergeant and a Somoza aide.

[Santos] A few days ago, during an interview granted to LA NACION, [Nicaragua's LA PRENSA publisher] Pablo Antonio Cuadra said that after the approval of the $100 million, the Sandinist government, in order to hit Reagan, should have restored public freedoms and individual guarantees. Don't the latest measures (closing LA PRENSA, expelling two priests, and putting more limitations on political parties) give President Reagan the right to say that there are no public freedoms nor individual guarantees in Nicaragua?

[Oretega] I think that instead this has shown that there are public freedoms and individual guarantees in Nicaragua. Because if, as Reagan said, there were not public freedoms in Nicaragua, then, why make such a fuss over closing LA PRENSA? Why make such a fuss over the expulsion of a few clergymen? If none of this existed, it would not be possible to adopt measures of this kind. This has shown that those freedoms do exist in Nicaragua and, because they exist certain sanctions are sometimes applied to those who violate the laws. But, as we have said, these are temporary measures. They do not represent a radicalization of the process.

[Santos] You have said that Nicaragua's main problem is the war, but you have also referred to problems like the shortages and deficiencies in production and in health services.

[Oretega] Nicaragua has not escaped from all the problems currently experienced by Central America and all Latin American countries. Without a war, Nicaragua would still face the same problems faced by the other regional countries: the big economic problem, the prices on the international market, and the debt problem. This situation is seriously aggravated by the war. Our biggest efforts are geared at producing, but production means big tensions because there is an entire action aimed at destroying it. Production, however, has been maintained.

[Santos] But it has declined notoriously in recent years.

[Ortega] It has declined in some areas; in others it has not. For instance, in recent years we have had historic coffee crops; this year we had a smaller crop. In the case of cotton, we also had problems with the agrochemical products, there were plagues, there were weather problems. In the case of rice, we obtained a bigger production than normal, and we have increased our rice production as well as that of staples like corn and beans. We are suspending our staple imports and are engaged in a domestic production effort. We cannot speak of a general production decline. It is true, however, that as a whole, production has been seriously affected. The social programs have been the most affected, as we have had to transfer foreign exchange from that sector to the productive sector; we cannot satisfy the needs of all sectors.

[Santos] Do you feel that a strong feeling of dissatisfaction with the government might develop as a result of the shortages of food products and basic grains and the disproportion between wages and prices?

[Ortega] I would say no. Here you will find a general "cry" ["grita"] (clamor by the people) because everyone here has been given the right to demand food, and that is an obligation that the government has assumed. If we go to some other Central American country, we find that the government does not have that obligation to the people. There it is a matter of who can buy, who can survive with his or her wages. The government does not have an obligation. Here, however, we have the obligation to make staples available to all Nicaraguans. When these items are in short supply, there is protest. Hypothetically speaking, the simplest way to confront the crisis would be to implement the IMF measures, to not acquire any obligation with the people, and to let each person look after himself. The stores would then be filled with products, only a few would be able to buy those products, and the prices would level off. However, since we have a revolution here, and this revolution has told the people that everyone has the right to eat...there are peasants here who in the past did not know about oil, beans, meat, or eggs. Today they have the right to demand that.

[Santos] When you refer to Central America's problems, you exclude Guatemala, as when you talk about the shortage problems, the political problems.

[Ortega] No, I do not exclude Guatemala...

[Santos] But you only speak about Costa Rica, Honduras, and El Salvador.

[Ortega] I am speaking about the countries that constantly question Nicaragua. We do not have that problem with Guatemala. Guatemala is respectful of Nicaragua's regime. However, we are constantly being questioned by El Salvador, Honduras, and Costa Rica regarding Nicaragua's domestic situation. So we draw these comparisons with those countries that are more involved in the controversy about Nicaragua's regime.

[Santos] In short, Commander, how do you view Nicaragua's future?

[Ortega] I view it with optimism, because despite the war and the difficulties, we have always been aware that a revolution goes through difficult moments, and because it experiences difficult moments there is true change, a profound change. The difficult moments will be overcome. All the great developments of mankind, all the great protagonists of humanity, Christ himself and Christianity, experienced difficult moments, terrible moments. Nicaragua is going through a "calvary," but it, too, will come back to life.

[Santos] Finally, Commander, a difficult question: How does Daniel Ortega view himself as an individual, what are his major flaws and his major virtues?

[Ortega] How difficult that is. The truth is that have I not subjected myself to an in-depth analysis in search of either virtues or flaws. I have always tried, more or less as I go along, to remain watchful of my own actions, that is, of whether or not I am acting in accordance with my principles. I think the important thing is to remain constantly watchful of oneself and not to fall into a state of self-satisfaction with one's performance so that when one does something, one is satisfied, but not filled with vanity. I think it is important for a man to always remember that in the final analysis, when it comes to certain public duties, he is not accountable to himself but to society as a whole, because in the end he is merely an expression of that society to which he is accountable.

PRESIDENT ORTEGA'S 'CHICAGO PROPOSAL' PRESENTED

PA042020 Managua Radio Noticias in Spanish 1200 GMT 4 Aug 86

["Chicago Proposal" made by President Daniel Ortega on 3 August; read by William Montiel y Pena]

[Text] 1. The Nicaraguan Government is willing to immediately start a constructive, open, and systematic dialogue to resolve the problem between the church and the state.

2. To resume dialogue with the Nicaraguan Episcopal Conference, the Nicaraguan Government hereby invites the Episcopal Conference to hold a meeting this month to propose the creation of an ecumenical arbitration, if necessary.

3. Nicaragua hereby makes an urgent appeal to the Central American nations to immediately return to the negotiations within the framework of the Contadora Group, so that on 15 September, anniversary of independence in Central America, the Contadora Document for Peace and Cooperation in Central America is signed.

4. The Nicaraguan Government invites the owners of the daily LA PRENSA to adjust their behavior within the legal institutional framework and to break their bonds with those who have decided to join the war of aggression against Nicaragua. The temporary measure that has been applied to LA PRENSA would be reconsidered under these conditions [words indistinct].

5. The Nicaraguan Government hereby invites the U.S. Government to comply with international law and to abide by the International Court of Justice ruling.

6. The Nicaraguan Government makes an urgent appeal to the U.S. Government to start the corresponding negotiations that would conclude in the prompt signing of a new treaty of peace and friendship.

7. The Nicaraguan Government urges the Central American countries to turn Central America into a demilitarized area and a region of peace, under the auspices of the Contadora Group and the Lima Group [words indistinct].

8. The Nicaraguan Government hereby invites U.S. President Ronald Reagan to visit Nicaragua.

ORTEGA REPORTEDLY TO VISIT PRC IN SEPTEMBER

PA021330 Mexico City THE NEWS in English 30 Jul 86 p 8

[By Upendra Nath Mishra]

[Excerpts] Managua -- Nicaraguan President Daniel Ortega will pay an official visit in September to the People's Republic of China (PRC), where he will ask for economic, political and military support, according to diplomatic sources here.

Last year in December, the Communist Party of China had invited Nicaraguan Foreign Minister, Miguel D'Escoto, and a senior Sandinista leader, Henry Ruiz, to Peking, where D'Escoto and his Chinese counterpart, Wu Xueqian, had held detailed talks about the possibilities of economic and political cooperation.

After the talks, the Sandinista officials said that China was willing to offer economic aid and that both sides were negotiating an agreement on economic cooperation.

During Ortega's proposed visit to Peking, a number of bilateral agreements between China and Nicaragua are likely to be formally announced, according to Sandinista officials.

The diplomats and foreign political analysts term Ortega's visit to China as a very significant event in Sino-Nicaraguan relations, and say that it has materialized after nine months of hectic efforts by the two sides.

Nicaragua's shift to China has also dealt a severe diplomatic blow to Taiwan's interests in Central America. In December, the leftist Sandinista government established full diplomatic ties with Peking and broke with Taipei. As a result, now Nicaragua is the only Central American country (except Mexico) which does not have an accredited representative to Taiwan instead of China.

Sandinista officials say that Nicaragua's relations with Taiwan were a legacy of the former Somoza regime. Now, however, the Sandinista regime recognizes the government of the People's Republic of China as the sole legal government of China and regards Taiwan as an inalienable part of the territory of the PRC.

Why did the Sandinista regime wait for about six-and-a-half years to sever diplomatic ties with Taiwan and establish diplomatic relations with the PRC?

It is held that the two most important reasons that delayed the establishment of diplomatic ties between Nicaragua and the PRC were: first, China's initial reluctance to wholeheartedly support the Sandinista regime because of its too pro-Moscow leanings, and secondly, the much-needed Taiwanese economic aid.

During the period 1981-85, Taiwan's economic aid to the leftist Nicaragua was substantial. It included two low-interest loans, totaling 9 million dollars, and small projects in fisheries and agriculture. Bilateral trade between Nicaragua and Taiwan amounted to about 20 million dollars in 1984 alone. [passage omitted]

It is widely held in diplomatic and political circles that Sino-Nicaraguan relations have been strengthened after Ortega met with Chinese Premier Zhao Ziyang during the United Nations session in New York last October.

CASTRO TOURS SANCTI SPIRITUS CONSTRUCTION SITES

FL022013 [Editorial Report] Havana Tele-Rebelde Network in Spanish at 1730 GMT begins recorded coverage of a 27 July tour by President Fidel Castro of Sancti Spiritus construction projects. The opening shot shows a building with the words "Camilo Cienfuegos Provincial Hospital" superimposed. Castro is then shown entering the building and shaking hands with the staff, who are waiting to receive him. Castro asks about prenatal testing and is told it will be done here, and these tests are done in 3 or 4 days in Santa Clara.

The announcer reports that Castro asks about the area previously occupied by the provincial hospital. The camera shows Castro and the hospital staff, who are all talking simultaneously, looking at pictures on the bulletin board. They point out the remodeling projects that have been completed. Castro then is shown outside uncovering the sign for Camilo Cienfuegos Hospital.

The announcer continues, reporting that Castro then visited the Sancti Spiritus Medical Sciences faculty, which was completed in honor of the Moncada anniversary. The camera shows an unidentified man using a pointer on a scale model of the school to point out the buildings to Castro. Castro takes the pointer away from the speaker and asks questions about specific areas and buildings. He asks about the construction of apartments for nurses and medical students.

The camera then shows Castro entering a room full of people who are standing, applauding, and chanting, "Fidel, Fidel!" Castro asks, "Are you all students?" An unidentified speaker indicates that some of them are workers. The camera is then behind Castro, and some of the workers describe their tasks in their separate brigades. A student indicates that there are 80 1st-year medical students enrolled. Castro briefly turns toward the camera and then returns to face the students. After speaking with the students, says the announcer, Castro signs the visitors' book. The camera shows a closeup of Castro as he writes, "The building is excellent. We hope that the professors, students, and workers will be superior."

During his tour, Castro also visited the Sports Initiation School, which became partially operational last year, reports the announcer. The camera shows Castro entering the school. Speaking with a group of people about the students enrolled there, Castro says, "They have to study. They have to make a greater effort. It is clear they no longer have production work. Their productive work is a sport." Castro asks about exercises, swimming, soccer, and baseball. When Castro asks when the school will be finished, an unidentified speaker says they expect it to be completed by 1 September.

Castro's tour also included a visit to the new water complex and the new Sancti Spiritus Airport, says the announcer. The camera shows Castro speaking to personnel at both these locations as the announcer continues reporting. Castro is then shown crossing the bridge over the Yayabo River. Castro is seen leading a crowd of people while he asks questions. The camera pans the riverbanks and shows people crowded together clapping and chanting, "Fidel, Fidel." Castro is then shown standing on steps and surrounded by unidentified men in fatigues as he speaks to the people. He asks the people how long they have lived there, how many children they have, if they are students, and what they do.

As he descends the steps, the men in fatigues, presumably Castro's bodyguards, escort him. Two bodyguards can be seen in front of him, one behind him, and one to his right. Castro continues waving, and the report ends at 1757 GMT with a still shot of Castro as he gets into his jeep. The camera then returns to regular programming.

BRAVO SENDS MESSAGE TO DISARMAMENT MEETING

FL042340 Havana Radio Rebelde Network in Spanish 2300 GMT 4 Aug 86

[Text] Flavio Bravo, president of Cuba's National Assembly of the People's Government, has sent a message to the world conference against A- and H-bombs in Tokyo, Japan. In the message, the Cuban leader says the solution to the world's current economic and social problems is incompatible with the arms race and the idea of military superiority.

DELEGATION ATTENDS NONALIGNED SEMINAR IN INDIA

FL042109 Havana Radio Reloj Network in Spanish 1818 GMT 4 Aug 86

[Text] The Cuban delegation attending a seminar in New Delhi on the Nonaligned Movement has reaffirmed that the struggle for peace and against nuclear holocaust are the basic principals of that movement. In a document presented to approximately 100 delegates attending the International, Retrospective, and Perspective Seminar on the Nonaligned Movement, the Cuban delegation said opposition to war, as well as the struggle against its development, is the movement's priority.

Cuban Foreign Ministry representative Pelegrin Torras, who is heading the delegation, said the next meeting, in Harare, Zimbabwe, will be an exceptional forum and will strengthen that organization. The document says the meeting will confront the totally new situation of the attempts by highly industrialized capitalist countries to [word indistinct] the international instruments of developing countries.

CHILEAN BISHOP'S SPOKESMAN EXPLAINS DOCUMENT

PA021519 Havana International Service in Spanish 0000 GMT 29 Jul 86

[Telephone interview with Roberto Urbina, director of the Chilean Episcopal Conference's press office, in Santiago, by PRENSA LATINA reporter Javier Rodriguez, in Buenos Aires; date not given -- recorded]

[Text] [Rodriguez] Mr Urbina, we are calling you because here in Buenos Aires we are very interested in what is happening in Chile, including the latest position expressed by the Chilean Episcopal Conference, the documents that the conference released requesting the reinstatement of civilian power in the country, and the government's reaction to this request.

[Urbina] There has been no official government reaction. [Words indistinct] no statement has been made, and he even said that he has not studied the document released by the bishops. We have heard only opinions expressed by some government officials. However, these are not official statements. Therefore, there is nothing to add regarding this matter.

Some sectors of the Chilean political opposition have thanked the bishops for their statement and for the document approved by the bishops' plenary session. The bishops wrote a letter to Dr Gonzales, president of the National Civic Assembly [ANC], who is currently in prison. In their letter the bishops express their solidarity and support and recognize that the actions of the ANC are legitimate, because these are peaceful actions.

[Rodriguez] Are the Chilean Episcopal Conference's main statements based on the need to reinstate civilian power in the country?

[Urbina] No. The letter and the document do not mention this. The document mentions the five main causes of violence in the country. These causes are: the suffering of Chileans due to hunger, cold, and unemployment; the lack of participation at all levels and the lack of integrity of the authorities; the militarization of civilian life -- military opinions are imposed on organizations that are strictly civilian; the use of war methods against the civilian population -- this causes terror, anguish, and discontent; and political terrorism on the part of those who are bent on imposing their will by force.

'OUR AMERICA' REMEMBERS PANAMA'S TORRIJOS

PA021917 Havana International Service in Spanish 2300 GMT 28 Jul 86

["Our America" commentary]

[Text] Under the ominous name "Injure the Falcon in Flight," the CIA organized the plot to kill General Omar Torrijos on 31 July 1981. Torrijos' relatives have said that his death occurred after the explosion of a bomb that was placed inside the Panamanian leader's plane. In order to carry out this action, the CIA had the support of its agents in Panama, they said. Recent revelations bring to mind the events that surrounded the mysterious death of Torrijos, a defender of Panamanian sovereignty and an opponent of U.S. presence in the strategic Canal Zone.

During his visit to Cuba in January 1976, Torrijos said: We belong to a group of new officers that took over power. It is true. But we must analyze the contents of every coup d'etat. Sometimes a coup takes place because it is the only solution to a prevailing situation. In our case, we decided to work in favor of the people, who had been oppressed for so long.

After he rose to power, Gen Torrijos tried to prove to the Panamanian people that the National Guard was no longer a repressive body and that it was there to defend national rights. Following this policy, Torrijos got U.S. President James Carter's signature on the Canal Treaties in 1977, following the 1964 events in which U.S. policemen from the Panama Canal fired on a group of Panamanian demonstrators, killing more than 20 people. After that, the decolonization of the Panama Canal became Torrijos' main concern as head of state. His nationalist and anticolonialist principles prevailed in every one of his government actions. His words: I do not want to enter into history, I want to enter the Canal Zone, became a slogan in 1979.

The CIA and the U.S. Government sentenced Torrijos to death, but his ideas still prevail. In 1976 he said: We are a small country, we are an occupied country, but no colonialism can last 100 years, and no Panamanian will ever withstand it.

JAMAICA

SEAGA MARKS INDEPENDENCE, CALLS FOR UNITY

FL050015 Bridgetown CANA in English 1935 GMT 4 Aug 86

[Text] Kingston, Jamaica, Aug 4, CANA -- Jamaica was today marking its 24th anniversary of political independence from Britain in the shadow of a hard-fought municipal elections a week ago and with political leaders stressing the need for national unity.

But Prime Minister Edward Seaga, whose party received a drubbing in the elections and who is under pressure to call a national poll, also used the occasion to point to what he considers to be some of the successes of his administration since taking office in 1980.

The unity calls came against the backdrop of pockets of violence during the election, won by the opposition Peoples' National Party (PNP).

Seaga said his government in the past six years carefully nurtured for Jamaica a climate and image of stability which had contributed to investor confidence and growth in tourism.

That atmosphere had been characterised by the calm leading to the municipal elections, the prime minister said.

The local government elections are now behind us and the entire community must now settle down once more to the normal rhythm of everyday life, the prime minister said.

We must ensure that the outpouring of goodwill from the international community and from the Jamaican community overseas,which was experienced during the recent flood disaster, is not in any way jeopardised by the temptation in pockets of the community to disturb the atmosphere of peace and stability which has been so careful constructed, he added.

PNP leader and former Prime Minister Michael Manley said Jamaica was celebrating the independence anniversary in an unnecessarily and unfortunately tense political atmosphere.

Added Manley: We must stop behaving as there are two warring factions. We must be mature enough to recognise that those who lose today in the political tussle may be victorious tomorrow -- as has been the case on previous occasions.

He said that men and women who played, socialised, and worked together need not fight and harm each other because they favour different political parties.

... I cannot but feel sad that we have allowed political difference to drive a wedge of hate and anger between peoples in our communities, Manley added.

Last Tuesday's election was seen as a confidence vote on the Seaga government and the austerity policies of the past three years.

But Seaga insisted that his programmes were working and that the benefits were beginning to appear.

The past year, he said, had witnessed the revitalisation of the Jamaican economy in all its major sectors and...the rekindling of hope in all Jamaican hearts.

Today we are beginning to repeat [as received] the fruits of the sacrifices which the nation has been called upon to make over the past five years and the increasing success in tourism, agriculture, industry, commerce, and mining, are there for all to see.

SEAGA IN LONDON, FAVORS FINANCIAL SANCTIONS

FL041830 Bridgetown CANA in English 2055 GMT 2 Aug 86

[Text] Kingston, Jamaica, Aug 2, CANA -- On the eve of tomorrow's mini-summit in London of Commonwealth leaders on sanctions against South Africa, Jamaica Prime Minister Edward Seaga has called for financial rather than trade measures to pressure the Pretoria regime to end its policy of apartheid.

The government's JAMPRESS news agency report of a letter by Seaga to Commonwealth secretary general, Shridath Ramphal, did not outline specifically what measures the prime minister proposed.

According to JAMPRESS, however, Seaga told Ramphal that financial sanctions would have much quicker effect and would be less painful to the majority black population in the short term than trade measures.

This position has been taken as well by Britain and the United States which oppose effective economic sanctions against South Africa.

No government that I am aware of wants to see the South African economy destroyed, Seaga said. ...what we are all seeking to achieve is to put pressure on the South African Government that will oblige them to undertake real changes and bring an end to apartheid.

The Jamaican leader dismissed the argument that sanctions would hurt those in South Africa they were being promoted to help, pointing to the fact both black South Africa and the Frontline States had indicated a willingness to make the sacrifice because the alternative was no longer tolerable.

Seaga said that attempts at compromise with Pretoria had not worked, only buying time during which there was an escalation of violence and confrontation within South Africa and a debate among those already agreed that the system of apartheid should end.

The prime minister warned that if there was no change of position at the summit the need to find another compromise would run the clear risk of a rapid worsening of the situation.

ST VINCENT AND THE GRENADINES

OPPOSITION PAPER BACKS MITCHELL ON SECURITY

FL041835 Bridgetown CANA in English 2042 GMT 3 Aug 86

[Text] Kingston, St Vincent, Aug 3, CANA -- The newspaper published by the opposition United Peoples Movement (UPM) here has supported the stand taken by Prime Minister Mitchell of St Vincent and the Grenadines and his Barbadian counter part Errol Barrow on the question of regional security.

During last Tuesday's talks in Bridgetown on matters of mutual interest, the two regional heads of government agreed to maintain the Regional Security System (RSS) and to work within the framework of the memorandum of understanding, but pledged to hold the proposed treaty in abeyance and to work with the other signatory countries to arrive at a concensus.

In a front page editorial in its weekend issue the JUSTICE newspaper said the approach by Prime Ministers Mitchell and Barrow was a step in the right direction.

It welcomed what it described as the more realistic and sober approach of both prime ministers to this sensitive question.

The two leaders took power after the RSS had been set up by a group of English-speaking Caribbean countries including St. Lucia and Dominica. Both expressed reservations about the system.

Mitchell said he was opposed to any militarisation of the region.

Mitchell said he was particularly concerned about the opportunties for his country's policemen, as well as for their training and conditions of service.

Mitchell felt any funds made available for security purposes should be put to use in this regard, but reiterated his opposition to the militarisation of the region.

Shortly after returning home from the Bridgetown talks Mitchell said he and Barrow shared the common preoccupation for social and economic development, and believed that priority must be given to those areas.

We feel that once the economic and social development of the region is in order, security problems would be considerably reduced, Mitchell said in a radio and television statement here.

Mitchell said he and his Barbadian counterpart had agreed that they should pay particular attention to controlling illegal drugs and have their Coast Guard services work together in search and rescue operations and in patrolling their territorial waters to prevent fishing violations.